

MAY 1, 1933

**The Magazine for
MARKETING EXECUTIVES**

management

**The First of a New
Series of Articles:
"Man Power Problems
in Selling"**

**Sales Punch Without
Ethical Offense for
Drug Products**

Sales Letters

TWENTY CENTS

The Pittsburgh Press

published **46.7%**

of all Pittsburgh newspaper advertising appearing during the first quarter of 1933. This compares with 45.4% during the same period of last year.

The second paper published 34.9% of this year's first quarter total, as compared with 36.5% of last year's.

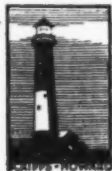
During the first three months of 1933, The Press published 33.6% MORE advertising than the second paper, leading the Pittsburgh field in 22 of 34 classifications. More advertising appeared in The Press in 11 of the classifications than appeared in the other two papers combined.

Authority: Media Records, exclusive of non-competitive lineage in all papers, and advertising sold on group basis in both Sunday papers.

The Pittsburgh Press

A Scripps • Howard Newspaper

NATIONAL ADVERTISING
DEPARTMENT OF
SCRIPPS-HOWARD
NEWSPAPERS
230 PARK AVENUE, N. Y. C.



MEMBER OF THE UNITED
PRESS . . . OF THE AUDIT
BUREAU OF CIRCULATIONS
and of
MEDIA RECORDS, INC.

CHICAGO • SAN FRANCISCO • LOS ANGELES • DALLAS • DETROIT • PHILADELPHIA • BUFFALO • ATLANTA

SALES MANAGEMENT, published semi-monthly, on the first and fifteenth, except in April and October, when it is published three times a month and dated the first, tenth and twentieth; copyrighted and published by Sales Management, Inc., 420 Lexington Ave., New York, N. Y. Subscription price \$4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office, N. Y., under the Act of March 3, 1879. May 1, 1933. Vol. XXXII, No. 10.

1933 JANUAR					1933 FEBRUAR					1933 MARCH							1933
SUN	MON	TUE	WED	THU	SUN	MON	TUE	WED	THU	SUN	MON	TUE	WED	THU	FRI	SAT	
1	2	3	4	5				1	2					1	2	3	4
8	9	10	11	12	5	6	7	8	9	5	6	7	8	9	10	11	
15	16	17	18	19	12	13	14	15	16	12	13	14	15	16	17	18	
22	23	24	25	26	19	20	21	22	23	19	20	21	22	23	24	25	
29	30	31			26	27	28			26	27	28	29	30	31		



NEW LEADER APPEARS ON NEW YORK LINAGE TABLES—Reports of Media Records for the first three months of 1933 showed that The News was first in volume of display advertising in the New York field. The News is tabloid and has no classified pages. The fact that this paper with its small page has taken the linage lead from the New York Times has occasioned much comment in advertising circles.

HERE'S WHAT'S HAPPENING—

A large Chicago manufacturer, after two years in red ink, is now comfortably in the black.

A well known Milwaukee company now has enough business to keep going steadily for over a year.

One of the biggest companies in Detroit reports a 45% increase, and that they have recalled a large number of workers.

This is not fiction. These are facts—and we have the proof. And, furthermore, this is not all. We will gladly show the actual statements of many others proving that their business is now definitely staging a comeback.

Naturally, these companies are buying—and there's your immediate market.

And, here's a sure way to cover that market. MILL & FACTORY, through its exclusive and unique method of securing circulation in the industrial field, guarantees its advertisers, like no other industrial publisher can, immediate coverage of every individual plant that is benefiting through a pick-up in business.

Let us explain just how this is possible—and why it is exclusive with MILL & FACTORY.

These are times when you deserve to know the facts. Get our story.

MILL & FACTORY

205 East 42nd Street
NEW YORK, N. Y.

333 N. Michigan Avenue
CHICAGO, ILL.

Survey of Surveys

BY WALTER MANN

Columbia, Arnold and N.B.C. Radio Surveys

"The Floods Hit the Valleys" is the title of a radio survey which should have been reviewed some time ago. Appearing in February, it shows the shifting in radio ownership since the government census figures. It was made possible through the cooperation of five leading manufacturers of radio sets with national distribution, who gave to John Karol, Research Director of Columbia, confidential original records of their proportionate volume of sales by states, by territories and by years, for 1930, 1931 and 1932; also through the assistance of 783 radio distributors and dealers in 48 states, who gave to the compilers actual records of replacement sales for the same three years. Finally, acknowledgment is made to Arthur P. Hirose and the McGraw-Hill Publishing Company, who helped to gather new data from dealers in every state in the Union for this analysis.

The 1930 census showed ownership of 12,000,000 sets in the homes of 30,000,000 families. Only 5 per cent of the homes in Mississippi had sets, as compared with 63 per cent in New Jersey. A very noticeable dip was found in the percentage of radio sets throughout the South. Since then, about 9,000,000 sets have been sold, about 5,000,000 of them going into homes that had no radio sets before. Where did they go? This report shows increases of 20 per cent in states like Michigan and Iowa, where the percentages were already high, and 140 per cent in Florida, Louisiana, etc., where they had previously been very low.

Done with the usual Kesten-like touch, this is a study that benefits all radio rather than merely Columbia. It is an intelligent and worth-while presentation based on impersonal information sources.

If you haven't seen this survey, you should. Address John Karol, or Paul Kesten, Columbia Broadcasting System, Inc., 485 Madison Avenue, New York City.

* * *

National Broadcasting Company tossed off a red and black brochure recently that should do radio a lot of good. It prevailed on the A. & P. Stores to keep sales records in 4,000 stores on the morning broadcast by Colonel Goodbody, which specifically mentions priced merchandise and which therefore approaches (as nearly as possible by the method used) a measurement of the actual sales value of radio, for which many people have waited so long. The records clearly show that sensational sales increases follow the advertising of eleven specific commodities over N. B. C. networks. The conclusion is therefore

drawn that it does most certainly pay A. & P. to use N. B. C.

Records were kept by A. & P. from May to November, 1932, on a wide variety of products, viz: coffee, beans, grape juice, ketchup, macaroni, preserves, rice, salmon, sardines, shrimp and crabmeat, gelatin dessert. The average sales increase of 173 per cent for products advertised on the air vs. 29 per cent for products not so advertised is an impressive figure. As far as was practicable, the report says, every factor that might distort the results in favor of radio was eliminated. The sales organization was notified in advance so that the proper records might be kept; presumably, therefore, no special conscious efforts would be made during the periods in question that might favor broadcasting. Apparently, however, no records were kept of this. How much the specific request for record keeping on these radio advertised products may have affected the specific interest of clerks and store managers in that product for the period in question is, of course, impossible to determine. And how much help other media might or might not have provided in this producing of extraordinary results is equally hard to decide. But certainly one fact is shown, i.e., that radio in normal combination with other media and local store efforts can surely produce sales. And the fact that N. B. C. distributes nearly half a million menu sheets a week not offered elsewhere shows that the N. B. C. network is peculiarly potent in its morning hours—the efficacy of which period some advertisers are prone to doubt. Get a copy of this report; it'll be worth your while. Address E. P. H. James, N. B. C., 711 Fifth Avenue, New York City.

* * *

All of which doesn't leave as much room as might be desired for describing Pauline Arnold's Survey of Radio Audiences made through the Arnold Research Service's interviewing staff. From November 28 to February 25 (except for the week before Christmas) this staff pursued two stated objectives, viz: 1, to obtain a factual picture of the audience actually listening to a given program at a given time, i.e., the circulation of the program or the number of homes exposed to it; and, 2, to qualify this audience by relating it to the persons who were aware of the product being advertised or the name of the sponsor of the program.

About 36,000 interviews were made at Miss Arnold's expense (there's a gambler for you!), which gives a total national picture for the fifteen-minute periods checked based on 750 interviews. This puts in Miss Arnold's hand invaluable data, such as city-by-city check-ups, which are on sale to individual advertisers. Price of data showing the amount of recognition for each sponsor in fifteen cities, which permit measurement of your program from an advertising standpoint, is \$60; while a picture of the relative popularity of individual stations by cities for evening programs sells for \$75. Arnold Research Service, 45 West 45th Street, New York City.



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Walter Mann

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Sales Letters

BY MAXWELL DROKE

The 2-Cent Battle

An interesting development of the fortnight is Postmaster General Farley's recommendation that immediate legislation be enacted empowering President Roosevelt to lower or increase postage rates "as increasing business or the demands of the postal service may make necessary."

It is questionable whether the solons of Capitol Hill are in any mood, at the moment, to further increase the power of



Maxwell Droke

the Chief Executive; moreover, there are numerous emergency measures yet to be driven through both houses, which will tend to slow action on any new legislation. And on top of this, there is Representative Ludlow's bill for a general reduction of first-class postage rates, which the Post Office Committee of the House may not be inclined summarily to drop, in favor of Farley's proposal.

However, any proposal emanating from the Postmaster General certainly is worthy of notice. Mr. Farley has further amplified his recommendation by stating that the department's first consideration would be the restoration of the two-cent rate on all local first-class mail, in place of the present three-cent charge. If this reduction results in increased revenue to the department, Farley points out that the President will then have ample grounds upon which to direct the restoration of the two-cent rate for all first-class mail.

It is not likely that this suggestion will meet with the enthusiastic endorsement of large users of the mails, who are most affected by the increase in rates. True, the lowering of local rates might have a tendency to do away with the hand-delivery of statements and invoices, in certain cases, and it might lead retail merchants to increase their appropriations for direct-mail promotion. But this recommendation leaves practically untouched the vital matter of huge bulk mailings which, with the advent of three-cent postage, were either discontinued or diverted to third-class.

My personal opinion is that a two-cent rate, limited to local first-class mail, would not result in a sufficient increase in volume to make a net gain of any consequence, and might, indeed, show a loss in revenue over the present three-cent rate. Thus, Mr. Farley's experiment would prove a disastrous blow to those of us who hope for a general reduction in first-class rates.

Incidentally, it may be remarked that the three-cent rate was put into effect for a period of two years, and expires automatically on July 1, 1934, unless contrary or supplementary legislation is enacted in the interval.

Standing Invitation

Mr. Droke is always glad to criticize sales letters and direct mail messages for our subscribers. There is no cost or obligation for this service. Address him in care of SALES MANAGEMENT, enclosing a stamped, addressed envelope for reply.

For "Easy Payments" Regret

In almost every instalment purchase, no matter how sound and desirable the buy may be, there comes a time when we wish to high heaven that we had never decorated that dotted line. It seems to me wise to face this condition frankly in any program to collect those "easy monthly payments." If enthusiasm for the product lags, then payments are likely to be far behind. Conventional collection letters are of little value in such cases. Before we can get very far in garnering these past-due instalments, we must resell the prospect; make him feel once more that he has made a sound buy. Get him to use the product or service in every possible way. For that is the best insurance we can have that payments will be made on schedule.

* * *

I was talking the other day with an executive who planned to discontinue his house organ to the sales force on the ground that it was "too expensive" to maintain such a service. In my humble judgment, it would be difficult to find a sounder investment than the money which goes into a bright, newsy sales bulletin, issued at regular intervals. Perhaps in periods of general prosperity, when orders are coming without much effort, such a house organ might be discontinued; but in times like these a salesman needs all of the practical help and inspiration he can get, and naturally he looks to his company as the principal source of such data.

Sales Letter to a Salesman

Because jobbers' salesmen are rather likely to be neglected by manufacturers, I am especially interested in this letter which was sent me by H. L. Ireland, Philadelphia branch manager of Canada Dry Ginger Ale. This is a message from one salesman to another—signed, in each case, by the Canada Dry man who works directly with the jobbers' salesmen:

"By the time you read this letter you've probably sold all the Special Packages your firm has asked you to sell. If there are any hanging around the warehouse, don't be a bit bashful in asking for a chance to sell more to some of your customers. They'll be glad to get them.

"These Specials don't come very often and the public 'eats 'em up' like hot cakes.

The sale was a real success last year, and with your help it should click 100 per cent again.

"And the best part of the whole thing is the saving of 11 cents over the regular price—and that's reason enough for Mr. Merchant wanting to give his trade a special bargain.

"And if I were you, I'd see that my customers had plenty on display, both inside and outside the stores, with price tags and posters, too. They'll have no trouble in selling 'em. Last year many people stocked up with plenty of these packages and stored them away on their pantry shelves. And are they waiting for another chance? You'll be surprised!

"So take a tip from me, brother, and give your trade a break. They won't 'shoo you at sunrise' if you load them up. It's a favor you're doin' them.

"And don't let your boss keep the display material, price cards and handbills hid in some dark corner where they won't do 'nobody no good,' as Andy would say. Go back and dig 'em out yourself, and give 'em out to the trade. It's a service you are performing for your customers. The merchant needs all the help you can give him in display ideas. And you'll get a lot of fun out of seeing a big pile of packages on display melt like a snow man in the sun.

"I'll be seeing you before long, so don't let me down on this job this time. With your help I can break a few records in my district. You know how it is—you don't like to see the other fellow show you up.

"Yours for a corkin' big sale!"

I heartily approve the idea back of this letter, and on the whole I think it is a pretty good one. The writer has, perhaps, been a bit too free with his contractions; and this makes the reading more difficult. And I cannot quite reconcile myself to the fact that the name Canada Dry does not appear any place in the body of the letter (although the message is, of course, written on the stationery of the company). But my principal criticism is of the final paragraph. I am afraid that the jobbing salesman's reaction may be, "Yeah; but what's in it for me?" It might have been well to face this situation frankly and say something like this, "Of course, I am selfish in making this suggestion, because it is my job to keep Canada Dry moving, but at the same time you know, too, that it isn't going to do you a bit of harm to be on the band-wagon of a winner. And I'm telling you this Canada Dry Special IS a winner! We are going to town and I surely want you to be with us."

* * *

This is indeed an era of cooperation. In one day, recently, I learned that Singing Sam and his piano-playing genius, Emil Seidel, had purchased an apartment house out on Long Island, and that three of my friends had pooled their resources to invest in a bird dog. And now comes a card from my tailor with this ingenious suggestion: "Let's get together and buy that new suit today!"

NEWS!

**EINSON-FREEMAN,
ORIGINATORS OF THE
"JIG-SAW" PREMIUM,
ANNOUNCE A GREAT
NEW PREMIUM IDEA!**

**At Half to Third the Cost
of "Jig-Saw" Puzzles!**

**SPECIALLY ADAPTED TO NATIONAL
ADVERTISERS OF BROAD DISTRIBUTION
FULL DETAILS AVAILABLE TO RESPONSIBLE
EXECUTIVES OF SUCH ADVERTISERS**

WRITE OR WIRE TODAY!

**EINSON-FREEMAN CO., INC.
LONG ISLAND CITY, N. Y.**

A thought for adver- tisers whose limited lists must produce Big Results:

For the past ten years (in the best of boom times and the worst of the bad) more advertisers have placed—and are placing—more pages in Good Housekeeping than in any other magazine in its field. More advertisers use Good Housekeeping exclusively than any other woman's magazine.

Good Housekeeping leads in all advertising values that yield sales. At least that is the opinion of the majority of advertisers, as expressed by their greater use of Good Housekeeping's pages.

Good Housekeeping

Everywoman's Magazine

CHICAGO

BOSTON

NEW YORK

DETROIT

SAN FRANCISCO

Significant Trends

As seen by the editors of Sales Management for the fortnight ending May 1, 1933:

• • • Tie fifty-pound weights to the feet of a broad-jumper. If he moves at all it is an inch at the time. Take the weights off and watch him go! That's about what happened to the country these last two weeks. Declaration of the gold embargo and announcement of definite reflation plans have given the country a running jump toward prosperity. We can't expect to get there at once, but at last there's unanimity of opinion that the shackles are off.

• • • Proponents of the so-called Thomas measure advance twelve prosperity points as the advantages: (1) bank deposits will be converted into commodities, real estate and property, (2) owners of collateral will negotiate loans to take advantage of rising prices, (3) merchants will order to restock empty shelves, (4) wholesalers will place orders for additional stocks, (5) manufacturers will take chances on reopening their factories, thus making demands for labor and raw materials, (6) these activities will mean new business for transportation companies and the banks.

• • • (7) labor will be employed and additional demands will arise for farm products, hence stimulate and raise farm and commodity prices, (8) bank credit and bank deposits will be thawed out and banks become active again, (9) value will be replaced in all kinds of collateral and securities, (10) credit will be in demand and will begin to expand and revolve, (11) the people will be able to obtain money to pay taxes, interest and debts, (12) the government will have funds with which to continue the advance now noted in all lines of private and public activity.

• • • Stock and commodity prices are the first to show confidence, or the lack of it. As of April 25 the 50-stock average of the New York Times stood at 65.33. A year ago on the same day it was 51.32. The 1932 low was 33.98 on July 8—so current prices are almost double that price. . . . Moody's weighted commodity index was 102.9 on April 25; 91.3 a year ago, and 78.7 on February 4, the low point this year.

• • • Government figures indicate that there was business recovery in March despite the setback caused by the bank holiday. Excise tax collections show very decided gains over February:

	March	February
Lubricating oils	\$1,370,720	\$1,024,566
Gasoline	10,547,165	8,515,013
Electrical energy	3,206,477	2,750,902
Automobiles	1,611,840	1,180,847
Phone, etc., messages	2,161,594	545,754
Theatre admissions	1,248,377	1,089,767
Bank checks	2,945,935	3,122,638
Stock transfers	1,462,662	1,635,335

• • • The late Dwight Morrow said a couple of years ago that if he could spot the "turn" sixty days after it happened he would consider himself good.

Production

Steel, our basic industry, and in normal times the best barometer of capital goods business, now is operating at 27 per cent of capacity. This is several points ahead of the same period last year, as well as being high for the current year. Steel scrap prices have advanced sharply and indications point to higher prices for finished steel.

• • • The April output of automobiles, estimated at 165,000, will exceed the production in April last year.

• • • The April decrease in electric production will be the smallest falling off from the previous year that we have had in eighteen months.

• • • March showed a 26 per cent increase in contracts for residential buildings over February, according to F. W. Dodge Corporation figures. . . . In total construction for the first quarter of the year increases were shown over last year in upstate New York and the New Orleans districts.

• • • New business booked by the hardwood mills during the week ended April 15 was 31 per cent above the same week last year. All regions showed orders larger than production.

Distribution

During April the sale of Lucky Strikes ran ahead of the same month last year—a phenomenon which hasn't been witnessed for a long time.

• • • There's been a lot of talk about new revenue from beer but not enough about the increased revenue from beer accessories. Borden officials, for example, say that during the last two weeks sales of cheeses of various types have increased from 25 to 100 per cent and the entire warehouse and plant stocks of Liederkrantz are exhausted. This increased consumption of cheese calls for increased sales of milk, and at advancing prices. So everybody in the circle—farmer, processor, distributor, consumer—is happier, and even the cows ought to be more contented.

• • • Outdoor beer gardens are opening up all over the country, and *Variety* is authority for the estimate that in addition to giving employment to thousands of unemployed waiters, the return of beer will bring jobs to more than 1,000 vaudeville acts and a minimum of 300 orchestras.

• • • "First a good product, then advertising." Warner Brothers produced the musical comedy picture, "42d Street," and had so much faith in it that they bought more newspaper space than for any recent picture and sponsored a special train which ran from Hollywood to the inauguration at Washington and back again to the Coast over a different route. The result: the picture is one of the biggest smash hits of all times, despite the fact that banks were closed during the first two weeks of its run. It is in its tenth week at the Strand Theatre in New York, and has taken in \$200,000 at that theatre alone.

● ● ● Another new and vigorously exploited product which is going places in a big way is the air-cooled Electrolux. Orders in every district are said to exceed production. The eastern division ordered a million folders for dealer distribution; the demand was so great that the order had to be upped to three million.

● ● ● An ill wind has blown some good to the can makers. Bootlegging and substitution of lubricating oil have caused several of the oil companies to sell their product in sealed tin containers.

● ● ● Air passenger traffic for the first two months of the year was 17 per cent better than last year. Passenger miles flown jumped 48 per cent. Air express gained 13 per cent; air mail dropped 21 per cent. On the American Airways lines passenger traffic in the first quarter was 45 per cent ahead and in express poundage 200 per cent ahead of last year.

● ● ● For the record: registrations of all motor vehicles in 1932 totaled 24,136,879, a decline of 6.6 per cent from 1931.

● ● ● Freight car loadings continue to better the seasonal trend, with miscellaneous freight showing the biggest increases. This covers most manufactured items. For five consecutive weeks total loadings have increased their ratio to the 15-year average.

● ● ● Sales of household washing machines in March showed an increase over 1932 figures for the third consecutive month.

Here and There

In the BOSTON district sales and prices of wool and hides have zoomed, and retail stores report a better-than-normal after Easter business. . . . In NEW YORK stock exchange houses have recalled thousands of workers, cable companies are having the biggest business in several years, department stores drew a bigger-than-expected response to special sales, retailers are ordering heavily of those goods likely to be first affected by reflation measures.

● ● ● PHILADELPHIA reports the first demand in years for idle factories, and a decided improvement in the textile, metal and beverage businesses. . . . In the CLEVELAND district there is a real upturn in the automotive trade. Akron tire factories have jumped production schedules as much as 50 per cent; steel mills are working at double the rate of earlier in the year. . . . DETROIT is on a buying spree. The depositors are getting back 174 millions from the two big banks. Auto makers have increased their schedules and retail sales last week reached a new high for 1933. Factory employment has increased not only in Detroit but in Battle Creek, Kalamazoo, Flint, Grand Rapids, Jackson, Benton Harbor and Muskegon. . . . Chevrolet has increased both May and June production schedules by 10,000 cars each.

● ● ● CHICAGO dry goods houses tell of a sharp increase in telephone and telegraph orders and requests for price protection on future shipments. Last Thursday's retail sales of Marshall Field were 14 per cent ahead of a year ago. March sales of the Chicago Addressograph sales agency were the largest of any month in two years. . . . Rising grain prices and good crop prospects cheer merchants and manufacturers in the MINNEAPOLIS district. Many farmers have been holding their grain for higher prices, and now have real money to spend . . . the railroads serving ST. LOUIS and MILWAUKEE have had

to divert many extra cars to those points for beer shipments.

● ● ● Higher grain prices mean tens of millions of extra dollars in purchasing power in the KANSAS CITY region. Both wholesale and retail trade is at or near the year's highest levels . . . with cotton selling over 8 cents instead of 5, business has taken a big spurt in the ATLANTA, NEW ORLEANS and DALLAS sections . . . on the PACIFIC COAST March building permits jumped 28.1 per cent over February in 58 cities of 8 states. Hop growers in California, Oregon and Washington are enjoying a 150 per cent increase in price. The two new bridges in the San Francisco area will cost 110 million dollars.

Potpourri

Just as we were becoming convinced that the well-known "turn" had come, Charles M. Schwab, the incorrigible old optimist, stepped out with another prediction—that the depression had "reached bottom" and that "there is an important portent of recovery." Well, there always comes a time when every prophet who maintains his stand must be right, and so we aren't allowing ourselves to become upset by what Mr. Schwab says.

● ● ● The President of the Chicago and Northwestern thinks that the railroads will gain from inflation even though their rates are fixed. "What the railroads need is more traffic volume," he says, "and I would not be afraid that operating expenses would increase more than revenue. On our road we could handle 100 per cent more traffic with no increase in expenses other than the cost of running the trains." As a result of the rise in grain prices his road received on one day an order for 700 additional cars to move grains from lines west, the largest such order it has had for any one day in three years.

● ● ● Inflationary booms usually run this way—first, a wild speculative start in commodities and equities, such as we have just witnessed. This is followed by a tapering off and then a renewed upward move of more moderate proportions but better continued than the first. Salaried workers and most wage earners are "squeezed" temporarily because of a lag between the upturn in prices of the things they buy and increased earnings for them. The first beneficiaries are the farmers, the industrialists, the storekeepers, the speculators and the unemployed. . . . The final reckoning of uncontrolled inflation is utter chaos and collapse, but let us hope (and there are sound reasons for believing as well as hoping) that this reflationary process will be, as Senator Robinson told the Associated Press members in New York last Monday, a "prudent inflation."

● ● ● Easily the most encouraging business news of the week comes in just at press time: the output of electric power for the week ending April 22. In the first place, it was up 1.6 per cent above that of the week before, whereas the normal seasonal trend is down, and the increase is a reflection of definite business improvement. Second, the output made the best comparison in twenty-one months with the same week of the previous year. Here is the record by sections:

	Decline from 1932 week
Atlantic Seaboard region	+0.1
New England region	+1.1
Central Industrial region	-3.6
Pacific Coast region	-6.4
Total U. S. A.	-2.6

When One of My Salesmen Gets "Off His Feed"

It may be temper, temperament or intemperance that turns a good man suddenly into a grumbling non-producer. Whether it's due to one of these causes or something else, the problem of the maladjusted salesman is one that requires fast thinking and plenty of understanding on the part of his manager. It's easy enough to fire a man—the real trick is to help him solve his difficulty and get him back into the ranks of the quota-busters

BY EDITH GORDON

*General Sales Manager,
Walter Drey Organization,
New York City*

THE other day two of my average producers, a man and his wife, came to me with a complaint that, though they both worked hard, they were not making enough to keep up the standard of living they had established. Their complaint implied their desire for either a special favor on my part or some work in the organization which might increase their income. Both of them, I knew, did work hard, were good salespeople and had the makings of possible sales executives. How to keep them satisfied and working for me until they could increase their earnings to their previous standard of living was my problem, and one typical of those faced in today's effort to keep down salesman turnover.

The problem of keeping turnover in the sales force at a reasonable figure resolves itself into two prime factors: careful selection of sales personnel and the judicious handling of individual human problems as they arise during the course of business. Because the cost of training new sales people is high and every company must economize more than ever today, the problem of holding already trained salesmen as productive members of the sales staff becomes all the more important.

I was able to solve the problem of the complaining sales couple by delving a bit into their history. When I found out that in their previous business it had taken them two years to achieve the standard of living they wanted, their



Edith Gordon never took a course in salesmanship in her life. Nor did she ever work under a sales manager. Born in Virginia, educated in Washington, she started her career as an actress in New York, in 1918, but gave up this work in 1927, after having played comedy leads opposite Louis Mann, and with Laurette Taylor and Henrietta Crossman. She was broke.

In answer to a want-ad she found a job selling shirts on commission. Never having sold anything before, she was not hampered by any foolish ideas as to what could or could not be done. She took her samples and made her first sales call on a Manhattan brokerage office, where she asked to see the manager. She told him she had come to save him and his partners much time and trouble and money through her specialized service. When the partners had been called in, she opened her samples of three white broadcloth shirts selling for \$10. She left that office with \$125 in orders!

In two weeks her firm created the job of sales manager and gave her the title. As sales manager she organized a selling force of eleven women, soon became vice-president. Eight months later she organized her own shirt business, got credit on materials and credit on their manufacture into shirts, and started in to sell shirts made-to-measure, priced from \$8.50 to \$25. Came the crash, and brokers couldn't buy \$25 shirts because they'd lost theirs.

When Walter Drey started his organization, she joined him to organize a department of sales women. Soon Drey noticed that the sales force—both the men and the women—were beating a path to her office door to get her advice and help on the solution of their selling problems. So her promotion to general sales manager in charge of all selling for this organization evolved simply by popular election. A born sales leader was recognized.

• • •

*The
First of
a New Series
of Articles
on*

“Man
Power
Problems
in
Selling”

• • •

complaint to me fell apart, because they had only been working for me a few months. Apparently they had simply never thought of this fact and when I pointed it out to them, they accepted it with good grace. But I went further and showed them exactly how they could develop themselves in the near future into sales managers, which would bring them the earnings they wanted in far less time than the two-year period it had taken them in their previous jobs. They took to this hope avidly. By looking at their problem from *their* point of view, our organization has kept two good producers on the sales force. We have given them a new incentive to produce more personal sales in order to justify their getting sales managerships and we have started two good minds to work on the problem of preparing themselves to handle the problem of a sales managership when they have earned it.

Keeping the turnover down by the proper selection of salesman material, it seems to me, is much more difficult than keeping salesmen happy and enthusiastic. We cannot accurately predict ahead of time which of the new recruits will prove out under actual field work. We have discovered, however, that the overeducated college individual very seldom succeeds with our particular type of selling.

The overeducated college salesman not only thinks himself better than his co-workers, but, what is inexcusable in our work, he shows it to his co-workers. The second rule of selection we have is this: select the salesmen who will consider selling an educational plan, a step up. This type of salesman has all to gain and nothing to lose in working for our organization. A case in point is a former "soda jerker" who has become one of our best sales managers. Another is a former mechanic, almost twice the age of the soda jerker, who came to us with a dollar-thirty in his pocket as his total worldly wealth and earned eight dollars his first day. He is now averaging much more than he made as a mechanic. Moreover, he likes his job immensely. He is out in the open air and feels himself a step or two up in the world. A third factor in selection for us is getting the salesman who likes children, but, more particularly, likes to *help people*. The misanthropist doesn't fit in our work. And only the person who really likes people and likes to see them happy makes a good sales manager.

For instance, one sales manager who is a woman had the leading group for one month. Then her group slumped off and didn't make quota. On analysis I found that in the beginning, in an effort to win the honor of having

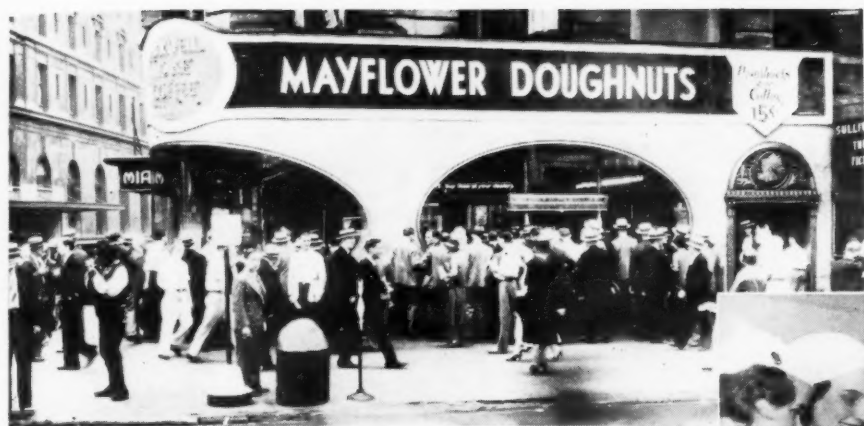
hers the leading group, she had put the problems of her force above her personal advantage.

She had gone into the field with each individual member of her sales force and helped each make a record. But once the record had been made, she began to consider her own selfish interests before those of her force. She consistently went out with only one salesperson, we discovered, because that person had a car.

When her sales continued to drop off, she came to me and wanted more salespeople for her group. Of course, she told me she wanted more because she needed them. She didn't say she wanted more in the hope that they, working for her and giving her an over-riding commission, would keep her earnings up to what she had made in the record month. She had lost all perspective on her job and forgotten that she could make more money by helping her sales force earn money than she could by trying to do a personal selling job and letting a large number of salespeople under her shift for themselves. Of course, I refused to give her any more salespeople. I further proceeded to show her exactly what her trouble was, and that no matter what she thought she was getting away with among her salespeople, she really wasn't. Regardless of what is told them, a sales crew can quickly sense a supervisor's true attitude.

One way of proving this woman's error to her was to show her how some of our better sales managers were operating. Our consistently best sales manager, for instance, did a very unselfish thing when he first became sales manager. This unselfish act has proved over a period of several months to have made him more money than any selfish thing he could possibly have done. While he was a salesman, and a very good one, he had developed some two hundred customer leads. When he became sales manager, he didn't keep these leads for himself, but turned them over to his sales force. He wrote each lead a letter, explaining how the addressee had helped him become a sales manager, then he stated that the salesman who bore the letter was there to help prospects and that he would appreciate any leads they would give this salesman. Moreover, he took each new salesman out and when one of these leads was sold, he turned over the order to the salesman. Thus he gave the salesman confidence. He has continued this help-the-others policy since he first became sales manager, passing on to his force every little trick of the trade he learns himself. By helping others, he has helped himself. And each one of his men is

(Continued on page 487)



BY
LAWRENCE M.
HUGHES



Above: Mayflower crowd on Broadway. Below: First customer at the new Detroit shop was Mayor Frank Murphy. Left to right are two of Mr. Friedel's attractive servers, K. G. Macdonald, district manager, Ward Baking Company; President Friedel, of the Mayflower Doughnut Corporation; C. S. Carroll, district manager of General Foods Sales Company, and Mayor Murphy.

Where Drugs and Cigars Fell Doughnuts Are Making Money!

AFTER the theatre, or before, you may have dropped in at a shop at Broadway and Forty-fifth Street, New York, for doughnuts and coffee. Seeing chiefly the names of Ward Baking Company and Maxwell House coffee, you probably thought:

"Good ad for them. Good doughnuts and coffee. Interesting to see them made. Nice surroundings. Pretty waitresses. Almost a meal, for 15 cents. . . . Ought to be a pretty costly ad for Maxwell House and Ward, though, on this location. Wonder how they stand it?"

Your wondering may extend back a couple of years to the time when on this site was a miniature factory for Lucky Strike cigarettes. That was a good ad, too. (Hundreds of thousands of people pass this corner every 24 hours.) But that was primarily an ad. *This* is an ad which makes money by itself.

The shop, in fact, has become the nucleus of a large and thriving business.

It is operated by the Mayflower Doughnut Corporation, New York. Ward Baking holds franchises for the sale of Mayflower doughnuts in Greater New York and in some cities of the East and Middle West. Because coffee "belongs" with doughnuts, Maxwell House, a product of General Foods Corporation, was invited to participate.

Three similar shops recently have been opened by the Mayflower corporation in similarly expensive locations, in Boston, Chicago and Detroit. The Boston shop is in Tremont Street,

the Chicago at Dearborn and Randolph, the Detroit in Woodward Avenue near the J. L. Hudson department store. Each cost \$20,000 to \$30,000 to establish.

The yearly rental on each runs into high five and even into six figures. But they are doing so well—even the newest of them, at Detroit, which started March 29, when Detroit had only two banks open and bank accounts of 800,000 people there were still tied up—that 40 or 50 more of them may be launched, throughout the country, this year.

Effective merchandising organizations in themselves, the shops are part of a larger program to effect complete nation-wide distribution and promotion of Mayflower doughnuts.

As J. H. Friedel, head of the Mayflower Doughnut Corporation and vice-president of the Doughnut Machine Corporation, explained in an interview:

"Doughnuts are pretty profitable items. Mayflower doughnuts are now sold by 89 baker franchise holders. These are scattered throughout the country, but there are still some sizable gaps between.

"The shops are being established," Mr. Friedel continued, "partly to sustain the franchise holders and partly to bridge the gaps in distribution. They are also a step toward national promotion of the Mayflower brand. For these reasons, when we launched the first shop, we purposely set it down for a loss. We wanted to make it

a good advertisement—an effective demonstrator, and its products persuasive samples.

"We have tried to approach the problem intelligently. There have been doughnut shops started on \$60 capital. These usually failed. Ours cost at least 300 times that much apiece, and are uniformly successful. The freshness and quality, and reputation, of the products sold have something to do with this. So have the service and the atmosphere in which they are sold.

"The shops are a personal responsibility of mine. I pick the locations personally. (But another official always checks with me before we move in.) We endeavor to have the shops reflect their environment and clientele. You will notice that the oval window at the corner of the one in Times Square resembles a stage. There's showmanship inside, too. But this (pointing to a photograph of the one in Boston) is more sedate and conservative, in Colonial design. The Bostonians, Chicagoans and Detroiters must sit down. The New Yorkers don't mind standing. Even the after-theatre folks, some of them in evening dresses and top hats, like it.

"Selection of locations is important," Mr. Friedel pointed out, "but
(Continued on page 489)

Will the Eastern Railroads Wait for the Government to Force Reductions in Rates?

(All of the following letters pertain to the campaign SALES MANAGEMENT has been carrying on urging the railroads in the East to offer a scrip book for salesmen and other quantity travelers, similar to that now being sold in the West. The most recent article in this series appeared April 1, "Travel Costs Drop in South; Four More Roads Follow L & N in 2-Cent Coach Fare Test."—THE EDITORS.)

By W. H. Upson, Jr.

*Secretary-Treasurer,
The Upson Company,
Lockport, New York*

Bully for you! You are doing a great work in your battle for scrip books.

You have won a notable victory in the West. Now we hope you can get the same concession with the eastern lines.

As a corporation which has fifty men using the railroads almost constantly, we are very much interested in the matter of lower passenger rates.

We believe that a reduction in rates will lead to more salesmen using the railroads in preference to the automobile as well as more men being placed in territories. We will add several men in the East, if rates are reduced.

By Ray Caruthers

*Sales Manager,
Universal Sanitary Manufacturing Co.,
New Castle, Pennsylvania*

We are highly in accord with the energetic promotion given the scrip book plan to encourage increased rail travel over the eastern roads.

If such a program can be put into effect this year, we can certainly assure the interested carriers that our travel business will appreciably increase with the very natural boost of tonnage shipments which will inevitably follow.

By C. E. Rickard

*Advertising Manager,
Standard Accident Insurance Company,
Detroit, Michigan*

Inasmuch as we have a large number of men traveling throughout the East and the New England states, it would mean a great deal to us if the railroad

fare became sufficiently low to enable us to put more men on the road contacting our agents.

Partly because of the reduction in the West, we find it more advantageous to route our men by rail instead of by automobile. Our spring plans have been changed to this basis.

By M. M. McDonald, Jr.

*A. Y. McDonald Manufacturing Co.,
Dubuque, Iowa*

We wish to take this opportunity of assuring you that any effort you may put toward the reduction of our mileage rates in the eastern territories will tend to increase our coverage with salesmen in those territories. This will give the railroads more business and reflect, through increased contacts with the trade, in greater volume and generally improve conditions.

We sincerely trust that the eastern roads will very soon take the same steps that have been taken in the central territory where scrip books are now quite generally used for commercial purposes at a considerable saving—a saving which is necessary under present conditions, when we must all reduce our expense items to meet the lower volumes and smaller profits.

By M. H. Feldman

*Vice-President,
John Wood Manufacturing Company,
Conshohocken, Pennsylvania*

Since the railroads operating west of the Mississippi River and in Illinois and Minnesota are offering a 2,000-mile scrip book at a saving of 25 per cent in passenger fares, our sales force in that territory is now able to make much more use of rail transportation than they have for some years past, and it will encourage us to concentrate on that method of transportation in those territories.

In the East most of our salesmen travel by automobile and bus, but a similar reduction in passenger fares in the East and the South would result in a very decided change back to railroad travel, which we believe would prove as desirable for the railroads them-

selves as it would for many firms and their sales organizations.

By C. A. Chase

*Sales Manager,
American Pad & Paper Company,
Holyoke, Massachusetts*

We have been much interested in some of your recent articles regarding your crusade in an effort to have the eastern railroads join with the western railroads in providing scrip mileage books at the rate of 2.7 cents per mile to be good on any railroad in the United States in books of either 2,000 or 3,000 miles, and, from the standpoint of this company, such an arrangement would undoubtedly mean more actual revenue to the railroads than the present rates.

We have some men who are traveling by automobile in the East and who would some of the time, at least, travel by rail if the reduced rates were in effect.

We have other salesmen who are traveling part of the Southern States and who get over into Louisiana, Texas, Arkansas, Oklahoma, Kansas and Missouri, but who do not cover sufficient territory in the States above mentioned to use up a scrip book on one trip, but we believe that with the scrip books applying to all railroads in the East as well as the West, there would be a tendency to cover at least some of this territory more frequently.

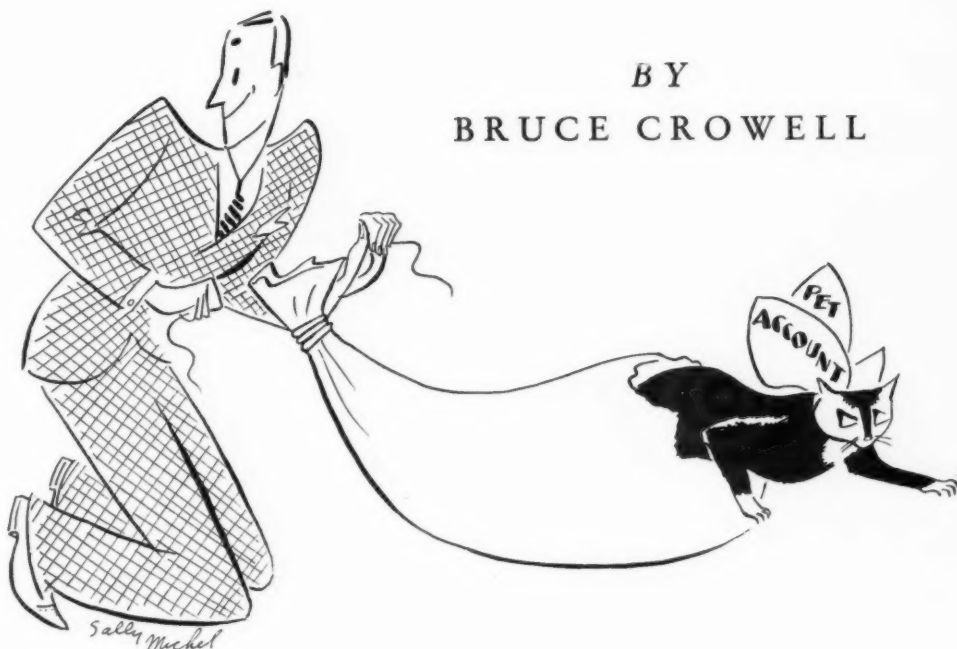
By Alfred G. Keeshan

*Hat Corporation of America,
New York City*

It would certainly make a big difference in arranging our sales force if the railroads in the East, as well as in the West, would reduce their rates.

Some of our men are traveling by car now only because they feel it is more economical. They would much prefer to make their larger towns by train.

We would also be prompted to send men out more often and our men themselves would plan little trips that they do not feel are profitable at the present time.



BY
BRUCE CROWELL

Why Old Accounts Go "Bye Bye"

WITH business what it is today, any salesman who kides himself that he has any account "sewn up" is due for a series of violent—and expensive—bumps.

A sales manager for a large industrial concern told me the other day that his company had just lost an account of fourteen years' standing—an account whose business had run into figures as high as a quarter of a million yearly. This business had been handled and serviced by the company's best salesman. While the salesman had not precisely neglected this account, he had developed the frame of mind where he believed that he had all the executives of this company "eating out of his hand." The vice-president was a college mate and fraternity brother of his. The production manager belonged to his church and to his club. He practically had the run of the plant whenever he chose to call.

Then he woke up one fine April morning and learned that his pet account had taken wings and flown over to perch with a competitor—without any ceremony, warning or explanation. He later learned that some pressure had been brought to bear through the company's directorate on the basis of reciprocity purchasing. And there had been some slight hitch in the delivery of materials some time along in January which was mentioned

as a sort of lame excuse when the salesman got around to asking questions. (How these little details have a way of taking on importance at crucial times!)

Now this man may—probably will—get this business back some day. But meanwhile his company has lost a key account at a time when such a loss works a grave hardship, and the salesman's commission statement for this year will be a sharp reminder of the folly of any man's thinking any account is "married" to him.

There is, however, a bright side to this indigo blue picture. The fact that so little business is "tied up" irrevocably to any one concern means that there are opportunities galore for any aggressive salesman to break into markets he's never been able to crack before, simply because some competitive salesman is asleep on the job. Old accounts and new prospects need "nursing" this year as they have seldom needed it in recent years; the depression has made buyers choosy—has sent them to the sources where their business is appreciated and where details of service are courteously and carefully watched.

This is a year in which to treat every order, no matter how long you may have been serving its source, as though it were the *first* order. And to respect every order, no matter how small its face figure, as you would if it were valued at a million.

Sales Punch Without Ethical Offense for Drug Products



Far too many manufacturers of meritorious medical products are reaching only a fraction of their potential market because of their unwarranted fear of aggressive sales and advertising tactics. That a medical sales drive of real pulling power can be executed without loss of prestige or sacrifice of professional standards in any way is demonstrated by the '32 and '33 campaigns of the Abbott Laboratories. After 45 years of selling to the medical profession and drug trade, this company made 1932 its biggest year.

ABBOTT Laboratories, North Chicago, Illinois, after forty-five years of manufacturing for the medical profession and drug trade based on specialization and research, selling to highly ethical branches of science, completed a remarkable and effective sales campaign during the last four months of 1932.

Depression, knowing no favorites, had for months been laying a heavy hand on all manufacturers of medical and health supplies, as well as on other products. Business, regardless of its nature, high or low, was in despond.

The Abbott Laboratories, after nearly a half-century of progress, found itself making approximately 1,200 products. The problem was:

What to do?

The business of the Abbott Laboratories for January, 1933 (the latest figures available), was at the high peak for all time. That seems a satisfactory answer. With view to learning how the campaign was organized and accomplished, this staff writer for SALES MANAGEMENT was detailed to North Chicago to find out.

Facts hereafter given are revealed

through the cooperation of C. R. Jackson, advertising manager. Sales reasoning was built around a few outstanding facts:

1. There are 146,000 established, ethical physicians in the United States.
2. There are 61,000 qualified, reliable dentists.
3. There are 60,000 retail pharmacists—drug stores.

These, then, were the people to be reached. Abbott's is no patent medicine racket. It's as different from that as day is from darkness; as opposite as the poles.

Reason says that every campaign must have some insignia to rally around. That's why flags were invented, and coats-of-arms and banners—and trade marks. Reason says that every campaign must have some featured article—some product to be headlined.

The Abbott Laboratories easily found the product. Not many months ago scientists working separately in the research departments of Parke Davis & Company and Abbott had hit, almost simultaneously, upon a discovery. Starting with only the slenderest clues and working separately,

they had discovered that the halibut has packed an amazing amount of Vitamin A in his liver.

The Vitamin A potency of halibut liver oil, they reported, is more than one hundred times that of cod liver oil; its Vitamin D content about twenty times greater. The big fish with the little liver had concentrated his vitamins in greater measure than the little fish with the big liver.

Parke Davis & Company had learned some facts about halibut liver oil that Abbott didn't know; Abbott had some facts that Parke Davis lacked. So they dumped their separate knowledge in a common kettle and stirred it up.

This is said to be the first time that that has ever been done in the pharmaceutical field.

Abbott's believed that halibut liver oil, which it was preparing to market in a big way, was the greatest product, with the biggest sales potentialities, that it had found in its forty-five years or among its 1,200 items. Haliver oil was made available only as recently as February, 1932!

With September, 1932, Abbott's went into its greatest selling campaign. It chose as its battle cry: "Abbott's

Million-By-Christmas Campaign."

Its objectives were:

1. One million messages to physicians.
2. One million new users of Abbott's Haliver oil.
3. One million dollars in increased profits for retail druggists.

Three separate portfolios were prepared. Haliver oil was featured at all times, but other leading medicines were selected to support the campaign. Haliver malt with Viosterol was one of them. This was specially featured in mailings to dentists. It gets into Vitamins A, B, D and G, as well as important minerals and other food accessories, which develop and preserve the teeth, stimulate appetite, and do other important things.

These portfolios contained all the mailing pieces sent out to physicians, dentists and druggists. For his own education and to convince him that the sales drive was a big and important one, and that the ground for sales was being thoroughly plowed, every salesman in the employ of Abbott was given a complete set of portfolios as were key dealers, both retail and wholesale.

Once each month, for four months, every physician received a carefully prepared, colorful, convincing mailing piece written in the language of the profession. Every druggist, ditto.

The story was told, and repeated, that Vitamin A content of Haliver oil with Viosterol compared—10 drops of

Haliver oil equivalent to three teaspoons of cod liver oil. That, because of the minute dose necessary, the nausea and gastric distress so often accompanying cod liver oil is eliminated. That it can be had in capsules so small as to be swallowed easily.

Special mailings were sent to specialists and to hospital physicians—for the hospital has a broad influence in establishing any new medicine.

Again, display advertising was carried in certain leading class publications. *The American Medical Association Journal* was used as the backbone of the advertising to physicians. To reach the druggists—*American Druggist*, *Druggist's Circular* and *Drug Topics*. Page and double-page space was used, some of it in colors.

Though Abbott's medicines are distributed widely to the professional trade in the Latin Americas, Europe and the Far East, the campaign was concentrated in the United States and its possessions.

All of this caused something to happen to the sales staff. Necessarily a list of 1,200 items, created by various specialists and departments, had led to individualism in the plant and selling force. Each department sought to push its own items. Salesmen developed favorite items. Sometimes there was lack of logic in the choice. Sometimes efforts were put on items of no

great demand or profit.

With the development of the "Million-By-Christmas" campaign the item considered to have the greatest potentialities was picked out. Backing it were other items; runners-up in possibilities. With the campaign carefully analyzed and organized every salesman understood just what he was to push.

He found himself directed, working under orders, and his daily reports were checked to determine if he was following orders. If he was not he got reminders direct from headquarters. Salesmen got an entirely new picture of their job. They learned the finer points of cooperation and coordination.

Departments began to click, a part of a well-ordered machine. It ended disorganized effort. All forces within the company were concentrated on the most important items, sent out to man the points where the best results might be expected and to throw their weight into spots where profits might be expected.

It might not be wise to say that a considerable part of the campaign was directed to educating the physician. Physicians are presumed to be educated. But when a new medical product, like Haliver oil, comes on the market—well, someone has to "inform" the rank and file of physicians.

Backing the mailing pieces and the display advertising in medical journals, that other thing, publicity, was brought into play. Varicous articles were prepared for scientific publications, quoting respected authorities, telling of the new discovery.

Druggists were "informed" in like manner.

(Continued on page 495)

One 3-min capsule

ABBOTT'S HALIVER OIL with VIOSTEROL 250 D

CONTAINS MORE VITAMIN A THAN THREE TEASPOONFULS OF COD LIVER OIL . . .

KNOW THESE FACTS

YOU PROFIT

ABBOTT'S HALIVER OIL

Two of the mailing pieces in Abbott's direct mail campaign—the upper to physicians, the lower to druggists. They are dignified, educational, ethical, and they bring results.

BY

LESTER B. COLBY

How We Maintained Sales During the Deflation Jag

IN the face of the general depression, and particularly against an appreciable decrease in sales in the candy industry, a program of policies developed to meet the special needs of present-day markets has enabled the New England Confectionery Company to hold its position in sales and appreciably to strengthen its relative position in the industry in the territory in which it operates.

Here are the principal planks in our new sales platform:

1. We established a merchandising division and sales research division separate from the sales department, to style products and packages, and to test sales and advertising policies and practices.

2. We are keeping the line fresh by bringing out at least one new product every month, and by dropping or restyling the slow-selling numbers.

3. We are favoring all types and sizes of jobber distribution equally, with one price to all and no premiums.

4. We are pre-testing every new product and advertising appeal by means of a consumer test bureau and a test territory.

5. We are emphasizing the institution and line as a whole in consumer advertising.

6. We are merchandising the consumer advertising thoroughly through store and window display and by means of missionary men permanently assigned to individual territories.

7. We are keeping in touch with the trade and the ever-changing public taste by

BY

H. R. CHAPMAN

*General Sales Manager,
New England Confectionery Company,
Cambridge, Massachusetts.*

insisting that executives spend at least 10 per cent of the year in the field with the salesmen, calling on dealers.

The company has recognized that sales are the major problem and that everything must be subordinated to that end.

Because of the size and variety of the Necco line, we found it necessary to organize two departments not normally found in the average manufacturer's organization. One is a merchandising department; the other, a sales research division.

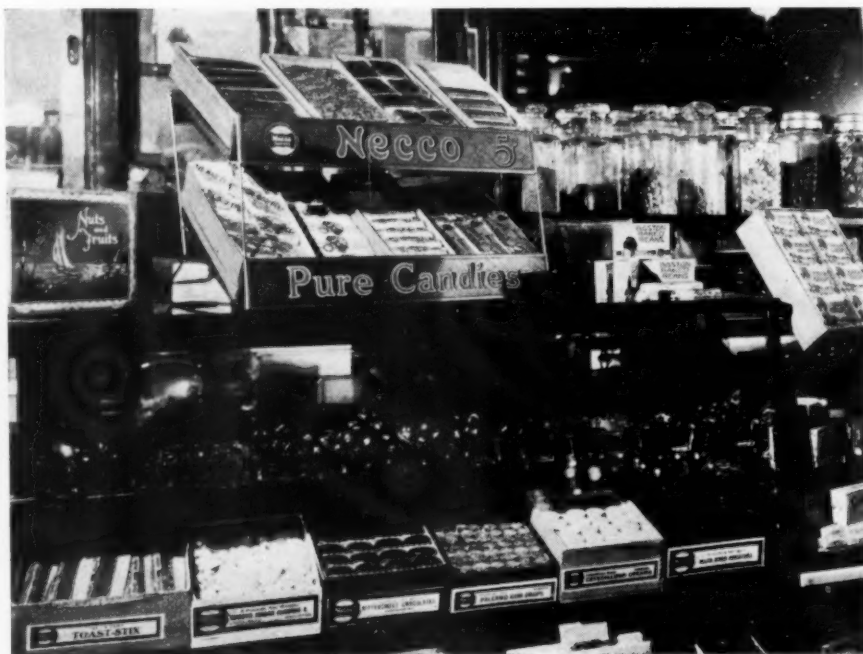
The problem of how the product

can be offered for sale with the most effective appeal to the consumer is one for the Merchandising Department to solve, and it is frequently necessary to consult a jury of consumers to find the right answer. Must the item be packed in glass, tin, cardboard or wood? Should it be wrapped in foil, glassine, or cellophane? What color combinations should be used on plain or display containers? These are the questions it is this department's job to answer.

The Sales Research Department has several functions, details of which will be revealed as different policies are discussed later in this article. Our interest in establishing a separate research department within our own business began when a marketing survey was made and it was convincingly demonstrated to us that market analysis work should be perpetuated on a permanent basis.

Our sales research activity constitutes a separate force which is to marketing what the research laboratory is to production. It is an intensely practical means of securing more profits and then insuring those profits. It helps to eliminate the costly mistakes which are likely to result from guesswork.

Both the merchandise and sales research departments closely supervise products and prices. When, for example, we made a study designed to reduce the length of the line, the production department was asked to recommend what items were to be dropped from a volume stand-



Here's one more company that discovered some better ways to sell, all because they realized that new conditions demand new policies. How the New England Confectionery Company developed a special program to meet the needs of the depression is described here by the firm's marketing chief.

point. The sales department then made up the list of products whose sales were too spotty or unwieldy from a competitive standpoint. Sales and production agreed on several items—so out they went. The remainder were turned over to the merchandising department to see if it could profitably restyle or repackage them—considering such factors as how the package was displayed, how packed, how many in the box, or whether the product would go better if made as a larger item. Many weak-sister products were put into the regular-seller class by this method.

A special committee composed of one production executive, one sales executive and the company's president was formed to decide the fate of the items the merchandising department could not rejuvenate. As a result of this study many products were dropped, many improved, and now the whole line represents a vastly strengthened set-up.

We have made it a policy to bring out at least one new item a month. This is done to keep the jobber's interest up, to have a fresh story for the salesman to tell every month, and to show the trade quite definitely that the company is going ahead and is constantly keeping in touch with changes in public taste.

On new products the company studies volume possibilities and endeavors to set its prices on the basis of sales potentials rather than on a fixed profit. This is important. For instance, you can make a candy to sell in small volume at a high profit per unit. But the very fact that it carries this high profit per unit limits its sales potential. On the other hand, with certain types of products which yield a smaller profit per item, you can give so much for the money and advertise so adroitly that you can sell millions of units and make a much higher total profit.

On present products in the line, the policy is followed of giving greater value for the money as raw material prices drop. In other words, now when the cocoa bean is cheaper than it was a few years ago, the manufacturer must resist the temptation to pocket savings. Paradoxically enough, we learned that he should increase the size of his candy pieces to make up for the saving in raw material costs. Thus, he still makes the same profit and accomplishes three very important things: first, he resists the temptation to cut price to get extra sales. Once the price is cut, the manufacturer has trouble getting it back up again when the raw material costs return to normal. Second, this policy forestalls

competition. If there is a wide markup, many little manufacturers are attracted to the field. Third, by making the candy pieces larger, the manufacturer gives the product more eye appeal and consequently strengthens its sales appeal.

In its relation with jobbers, the company shows no favoritism and has one price for all types of buyers—judging distribution channels primarily by their ability to provide complete distribution of the company's

products. The reasons for these policies are several: In the candy business there are four types of jobbers. One is the service jobber, the oldest type of candy distribution. After him came the cash-and-carry jobber, who saved overhead and tried to undercut the service jobber. Then came the wagon jobber, who bought from a sub-jobber. Because candies are so closely related to tobacco, tobacco jobbers took on candy lines, and, being

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What Is "Sales Management?"

How would you define "sales management?" Keim of Squibb's, Frazer of Chrysler, Schultz of American Agricultural Chemical, Raphael of Lionel, and Best of General Cigar are just a few of the country's business leaders who disagree very decidedly with the definition set up by the National Association of Teachers of Marketing and Advertising.

BY PHILIP SALISBURY

Publishing Director, SALES MANAGEMENT

THE National Association of Teachers of Marketing and Advertising, a mouth-filling name of an organization which we shall hereafter reduce to Natma, has had a committee at work for a year on definitions of various terms used in marketing. The purpose of their study is commendable, as not only the coming generation of business men now being taught by this group, but the more or less oldsters now in it, will absorb new ideas and profit from exchanges in viewpoint with others, in direct ratio to the degree of common understanding they have of the terms used.

One of the first tasks which the committee assigned to itself was the definition of "sales management." In their report they print several pages of diverse comments on the functions of sales management and then wind up with the majority definition of the term:

"Sales management is con-

cerned with the direction and control of personal salesmanship in the field. It includes recruiting, selecting, training, equipping, assigning, routing, supervising, paying and stimulating, as those tasks apply to the personal sales force."

That definition has in its favor simplicity and clarity. If it is accepted there can be no question about where a manager of sales begins and leaves off. But is it a satisfactory definition? Does it cover the range of responsibilities and authority which a sales manager should have, or does it apply only to those men who are merely managers of salesmen?

The editors asked some of the SALES MANAGEMENT subscribers to give their conception of sales management and to comment specifically on the Natma definition. The replies show a lack of agreement on details, but without exception these practicing sales executives or sales-minded com-

(Continued on page 484)

She Knows Why Millions of Customers Stop Buying



Joan E. Wing

BY
RUTH
ARELL

Suddenly he began to sputter, and finally he said, 'You know, I was going to bawl you out. Of course, I don't mean you personally, Miss, but somebody in your

'**Y**EAH, this is Spring 3279. Whodoyu want?'
"What? Whaddaya wanna see 'im about?"

"Yea! Well, maybe Mr. Jones will give you an appointment a month from last Wednesday."

This indifferent attitude on the part of secretaries, reception clerks and telephone operators was rapidly ruining the sense of humor of Joan E. Wing, of Yonkers, New York. Besides, she felt that if she, when greeted by such high-hatted response, took her trade elsewhere—others probably did the same. That wasn't good for business. After all, if it paid to be polite, as the copybooks said it did, it naturally followed that to be rude was certainly a losing proposition.

"Courtesy," she insists, "is one of the most important business assets, and one of the most neglected and overlooked. The operators in the central offices of the telephone company know all the answers, but try to get a civil reply from the operators employed by commercial concerns. Vast numbers of them never heard of the words 'thank you' and 'please.'"

Determined to see if she could do something about the situation, Miss Wing set out to demonstrate her idea. She called on the president of a large manufacturing and distributing company. What? Teach courtesy to his employees? "Ridiculous," he snorted. "Everybody is polite."

"Perhaps. But let me explain my idea," she pleaded. "It won't take long, and if you don't like it, there's no harm done."

So in earnest was she that the executive at last consented to give her a hearing. "All right," he said, "how

long will it take you?"

"Seven minutes, that's all."

"Seven minutes, eh?" the now amused executive repeated, "very well; you can have from 9:15 to 9:22 tomorrow morning, but I warn you—not a split second more!"

At 21 minutes and 59 seconds past nine o'clock the next morning, a "Courtesy Supervisor" had been added to that company's payroll.

Joan Wing made the employees of that corporation take out their company manners and use them every day. She taught the telephone girls to put personality into their voices. No more did a limp "hello" greet a caller. Instead, a cheerful voice said: "This is the Blank Manufacturing Company, good morning," and even if it were raining pitchforks, you somehow believed it really was a good morning.

"The first thing I did was to train the girls to get that 'glad you've called, delighted to be of service to you' quality in their voices. In face-to-face transactions, across the desk or counter, people are invariably polite to each other. However, separate them by several miles of telephone wire, and what a change takes place!"

"In a wild desire to attain speed in selling, many people have foolishly presumed that politeness is unnecessary and a time waster. As a matter of fact, I have demonstrated time and again that speed and politeness can be synchronized. It does away with lengthy discussion and argument, and this alone speeds up traffic through the switchboard. An example of this occurred recently when I relieved a girl at the board. A man was at the end of an incoming call. I answered, in the tone of voice I teach the girls.

office made a mistake in my order and I'm mad. Well, maybe I shouldn't be so hard. Mistakes do happen. Let me have your shipping department and I'll see if we can't straighten it out.' Isn't this worth while?"

When she completed her work in their New York office, the company was so pleased that they sent her all over the country to their branch offices to install her telephone methods. A number of conditions she observed prompted her to extend her work beyond the confines of the switchboard.

The company she was working for were manufacturers and distributors of small tools. Salesmen calling at the purchasing department were given an indifferent, even a rude reception. When she commented on this to a minor executive, he replied, "Oh, they don't amount to much. They want to sell us something, so they'll just have to wait their turn until we're good and ready to see them. It's perfectly all right; it's done everywhere."

That it was done everywhere, Miss Wing didn't for a minute doubt, but that it was perfectly all right she somehow felt was debatable. Most of those salesmen looked like family men, probably saving for a small house in the suburbs if they actually weren't already making down payments on such a home. If not, certainly there were times even in a city apartment when a man needed a trusty hammer or a monkey wrench. When it came to buying these implements, would he specify Blank Manufacturing Company's products? Certainly he would . . . not!

In all reason why should he, when the concern he was trying to sell hadn't the decency to treat him as any-

(Continued on page 494)

"IT GETS RESULTS AT LOWEST COST"

"The liberal use of Long Distance is a vital factor in
our program of expansion," says the Vice-President
in Charge of Sales of The Atlantic Refining Company



THE Atlantic Refining Company is one of the progressive concerns which have been expanding their activities and developing new business during recent troubled years . . . with the aid of Long Distance telephone service.

"We use Long Distance regularly," says Atlantic's Vice-President in charge of sales, "because it gets results, and saves us money as well as time in getting them."

Atlantic follows a policy of conservative expansion. Since 1929 it has opened many new sales

territories, doubled the number of its service stations, increased its dealerships proportionately. Profits for 1932 were more than 2½ times those for 1931.

Long Distance is a forceful factor in carrying out every feature of Atlantic's policy. It allows flexible control over all sales units, from Maine to Florida . . . gives valuable personal contact between headquarters officials and large distributors and commercial buyers . . . is used to dispatch the company's large fleet

of tankers from world ports . . . brings the far-flung refineries close to the home office.

Present business conditions make Long Distance more valuable than ever as an *action-getter* and *money-saver*. Your local Bell Company will gladly help you to develop effective and economic use of this modern service. No obligation, of course. *Just call your Bell Telephone Business Office.*

TYPICAL STATION-TO-STATION RATES

From	To	Daytime	7:00	8:30
			P. M.	P. M.
Boston	New Haven	\$.70	\$.60	\$.40
Chicago	St. Louis	1.25	1.10	.75
Philadelphia	Savannah	2.55	2.10	1.40
Detroit	Denver	4.25	3.50	2.50
San Francisco	Atlanta	7.75	6.25	4.50

Where the charge is 50 cents or more, a federal tax applies as follows: \$.50 to \$.99, tax 10 cents. . . . \$1.00 to \$1.99, tax 15 cents. . . . \$2.00 or more, tax 20 cents.



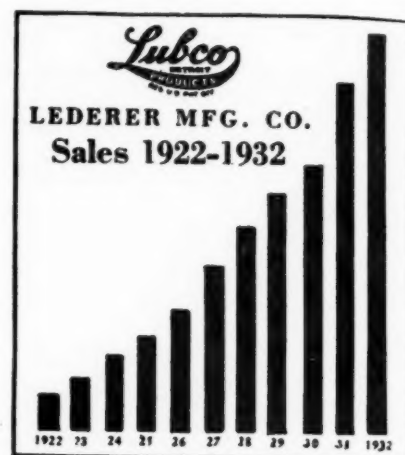
A big factor in this record of increased sales every year since 1922 is the intelligent capitalization of the good will attached to the nationally advertised name of "Pepperell," the company whose fabrics are used by Lederer in the manufacture of many of its dry goods novelties.

Stronger Selling Plan for Weaker Markets Keeps Sales and Profits Soaring

Based on an interview by D. G. Baird with

A. B. McWOOD

*Vice-President and General Sales Manager,
Lederer Manufacturing Company, Detroit*



SALES of the Lederer Manufacturing Company, Detroit, have increased every year since the business was established in 1921, according to A. B. McWood, vice-president and general sales manager.

As shown by the accompanying chart—which was prepared by Samuel M. Sutter, who has the company's advertising account—the largest increase registered in any one year was in 1931. The increase in 1932 was almost as large as that made in 1931, and this truly amazing pace was being steadily maintained during the early months of 1933. The factory has been in full production all the time, yet the day this was written, late in March, it was far behind orders, being behind 15,112 dozen on one line alone.

The company has not laid off any employees at any time during the depression. On the contrary, it has consistently increased its personnel, both in the plant and in the sales organization. Since the crash in 1929, for example, the number of machines in one department has been increased 700 per cent and the number of salesmen in the field has been more than tripled.

Nor is all this profitless prosperity. "We have earned a net profit every year we have been in business," Mr. McWood said. "Our total net profits last year were the largest in our history. We are not making nearly so large a percentage of net profits on our sales as formerly, it is true, but we are making a small percentage on

a much larger volume. We have to meet extremely keen competition, but we don't believe in taking a loss or even in swapping dollars just to get volume. You may say that we insist on a small profit on every transaction; a very small one sometimes, but a net profit, nevertheless."

How were they able to show consistent increases during these times, when nearly all others are reporting severe decreases?

The principal things Lederer did were these:

1. Anticipated changes in demand;
2. Added new lines;
3. Cut production costs;
4. Kept pace with declining prices;
5. Increased sales effort;
6. Capitalized the nationally known name of "Pepperell," whose fabrics are used in many of the company's products.

Prior to the crash in 1929, Lederer had specialized in a line of dry goods novelties such as mattress covers, ironing board pads and covers, bags of many kinds (garment, shoe, laundry, school and shopping), rubberized aprons and oil cloth novelties. They were not a big concern, comparatively, but they had plants in Detroit and Windsor and covered the United States and Canada.

"If we had stuck to that line, we probably would have been out by now," Mr. McWood said. "Certainly we should have had a severe decline, for our sales of all these items, which we have continued to produce, have declined materially. But, fortunately,

we didn't just sit tight and wait for the worst to come. We began immediately to analyze our position and to study the probable trend following the crash, with a view to anticipating changing demand and meeting it with new products which we were prepared to introduce.

"We were in the dry goods novelty business; consequently we were prepared to produce simple, inexpensive articles of ready-to-wear, such as aprons, house dresses and men's and boys' shorts and gym trunks. We anticipated a demand for lower prices. We reasoned that women who formerly wouldn't consider a dollar house dress, for example, were going to be very much interested in dollar house dresses and similar articles at correspondingly low prices.

"We brought out a line of wash dresses to sell at a dollar and even less and they met a ready response. As conditions became worse, our sales increased, we improved our methods, we took advantage of the declining market, and we kept pace by steadily reducing our prices while maintaining good quality. We developed a line of percale aprons which we already had and added another of 'Pepperell' aprons, and these went right along with the wash dresses.

"Similarly, we introduced a line of men's and boys' broadcloth shorts and gym trunks to retail at low prices. But these were not just price lines, understand; they were staple articles of good quality and attractive appear-

(Continued on page 493)

134,768

TOTAL NET PAID CIRCULATION

Average Net Paid Circulation of The Indianapolis News for 12 Months, Ending December 31, 1932. . . . Audit Report of the Audit Bureau of Circulations.

THE INDIANAPOLIS NEWS WAS THE ONLY INDIANAPOLIS NEWS- PAPER TO SHOW A GAIN IN CIRCULATION

This statement is based on a comparison of the total net paid circulations of the three Indianapolis newspapers . . . the 12 months of 1932 against the 12 months of 1931.

Manufacturers, Sales Executives and Advertising Agencies will find that a thorough analysis of the Indianapolis Radius will convince them of two facts: First, that the Indianapolis Radius does provide a profitable market for established merchandise, or an ideal test market for new products. Second, that The Indianapolis News can sell the Indianapolis Radius profitably, economically . . . and ALONE.

THE INDIANAPOLIS NEWS

SELLS THE INDIANAPOLIS RADIUS

New York

DAN A. CARROLL, 110 E. 42nd Street

Chicago

J. E. LUTZ, 180 N. Michigan Avenue

Buoyed by Beer, and Reflation, Retail Sales Curve Turns Up

After skiing down at breath-taking speed from 50 to 28 billion dollars between 1929 and 1932, and taking the biggest drop of all, probably, in March of this year, that fundamental evidence of the nation's economic well-being—retail dollar sales volume—has apparently turned upward in April, thanks to beer.

If the curve continues upward in May and the rest of the year, it will be thanks to beer and reflation, and the confidence and activity from both.

In any event, not only brewing but other industries and businesses are being buoyed and even boomed by beer.

Though the problem is still more of production and of politics than of sales, and the output and alcoholic content of beer still short of the demand, the sale of beer is increasing consistently as new production facilities and marketing territories are being opened. The volume in related products, from mugs to pretzels, is going up hundreds and even thousands of per cent. The telephone companies have been besieged lately with calls on behalf of "sick friends," and though the larger brewers are concerned chiefly with filling nearby orders first, even the destitute and demoralized railroads are beginning to perk up a bit.

Gordon Corbaley, president of the American Institute of Food Distribution, New York, expects beer to increase grocers' volume this year by about 10 per cent—the slight loss being felt in coffee and milk and ginger ale being offset by the new business (averaging with some chain units 20 cases a day) of beer. And the increased demand for limburger and Liederkrantz cheese and pretzels and pumpnickel and rye bread is largely "velvet."

Virtually all the leading grocery chains, except American Stores, Philadelphia, are selling beer, and all the larger drug chains. Many of the drug wholesalers do not now handle it, but some of these may add it later, if the demand and profits warrant. The grocery wholesalers—especially those which operate voluntary retail chains—seem either to be selling it now or are anxious to get an assured and well-known supply.

And several national advertisers (aside from the brewers themselves) are feeling quite happy again. One National Biscuit plant, at York, Pennsylvania, is now producing 6,000,000 pretzels a day. Loose-Wiles, many carloads behind orders, reports that a

pretzel increase of "several thousand per cent is indicated." A number of other Loose-Wiles products—Sunshine Martini butter crackers, Edgemont Cheez-It, Sunshine Cheese Rarebit and Carafakes, among others, have gone up in sales in the last few weeks from 50 to 400 per cent. Loose-Wiles expects warm weather to increase still more the demand for these products. General, Continental and other bakers (including A & P with its Grandmother brand) are doing well by rye bread. Kraft-Phenix's limburger cheese "ran out early," and Borden's grief about milk has been assuaged by Liederkrantz. The refrigeration and cash register people are more or less besieged with orders for new equipment for the cooling and counting of beer, and beer gardens are said to have taken over most of the corners vacated by the pee-wee golf courses.

Even Uncle Sam has profited by it. The Bureau of Internal Revenue reports March receipts of \$702,300 from the excise tax on beer and \$18,508 in taxes on brewers, wholesalers and retailers. In April, of course, these figures will probably be several times as large. The bureau's receipts from soft drink sales declined from \$309,168 in February to \$211,752 in March.

We don't know whether beer has been responsible for the present tilt of women's hats, but we believe it will lead to the development of more sitable furniture. The radio people expect that beer will cause people to stay home more; the automobile people that they will go out more. And the General Health Bureau (affiliated with the Paper Cup Institute) says mugs and steins may be used, but with paper cups inside of them, and that bottles are a menace to ball parks and beaches.

As for the effects of reflation, we suggest you turn to page 465, and see what the editor of Significant Trends may have to say. In our present cruise around the breweries and cheese factories, we forgot to ask.

ANA Meeting Will Be "Strictly Business"

No banquet, no entertainment, no outside speakers and attendees and no reporters will be permitted to modify the strictly business atmosphere of the semi-annual meeting of the Association of National Advertisers, which will be held in the auditorium of the McGraw-Hill Building, New York, May 15.

"Sweet Adeline" Quiet as Beer Comes Back

More people may be singing "Sweet Adeline" now than a month ago, but very few more are buying it, George Glenz, head of the printing department of M. Witmark & Sons, music publisher, New York, confides to SALES MANAGEMENT.

"'Sweet Adeline' has been plugging along steadily in recent years," says he, "at the rate of about 2,000 a year." Mr. Glenz does not believe, in spite of all the raucous publicity given it, that "Sweet Adeline" has ever sold more than 1,000,000 copies. The best selling popular song, in his estimate, was Ernest Ball's "Let the Rest of the World Go By," which, written in 1923, has achieved a total sale of about 1,500,000.

Richard Gerard, who wrote "Sweet Adeline" 30 years ago, is an employe of the New York Post Office.

2,100 St. Louis Salesmen Unite with Executives in Drive for "Action"

Twenty-one hundred St. Louis salesmen and their sales managers met at the Jefferson Hotel, there, April 21, for the first of a series of meetings under the Sales Managers' Bureau of the St. Louis Chamber of Commerce, to "equip them to do a better job of selling and to enable them to capitalize on the prevailing spirit of confidence."

The men were told that, properly supported by their firms, they represent a "tremendous power for general business improvement." The speakers were Harry T. Bussman, vice-president of Bussman Manufacturing Company, and W. B. Weisenburger, president of the chamber.

The bureau's program for sales action also includes talks before individual sales groups, before business and other organizations and over radio.

Commenting on the first meeting, David Hirsch, president of the bureau, pointed out that "tremendous response and widespread commendation was achieved, with practically no promotion beyond a form letter. The attendance did not include life insurance salesmen, who on that evening were holding their own meeting in connection with the annual Financial Independence Week. They will, however, participate in the others."

These 77 Men Could Buy Cars; But Only Sixteen Are "Asked"

Of seventy-seven members of a certain group of sales executives—practically all of whom have been continuously employed in recent years, with incomes of from \$5,000 to \$25,000 a year—only sixteen, or less than 20 per cent, have been called on by automobile salesmen since January 1, 1932.

These executives represent a variety of industries. They realize that their own salesmen are not infallible. But among automobile salesmen, they are quite agreed, there is a "definite lack of aggressiveness."

As to the "intelligence" and the "enthusiasm" of automobile salesmen, the executives are about evenly divided in their ratings, between "good," "fair" and "poor"; as to "ability" there are as many ratings of "fair" as of "good" and "poor" combined.

The study was made by an automobile executive. They confirmed his own opinions that automobile salesmen are too inclined nowadays to admit defeat before they go into battle (and that the most of them really do not go into battle at all). For this attitude of defeatism, however, he blames their sales managers even more than the salesmen. He intends to extend the study a bit, among other executives who ought to be the best automobile prospects, and then he will do something about it.

The seventy-seven men own seventy-two cars. Only two of these cars were purchased this year; sixteen last year; twelve in 1931; eleven in 1930; thirteen in 1929; five in 1928; three in '27; three in '26, and one each in '25 and '24. Of the sixty-five cars, twelve were Buicks, six Chryslers and five Nashes. There were four or less of seventeen different cars. There were as many Pierce-Arrows as Fords (four each) and as many Plymouths as Auburns (3).

Strictly speaking, sixty executives own the seventy-two cars, for seventeen do not own cars at all.

Only eleven of the total had had demonstrations in 1933 model cars; sixteen had seen the new cars at the Automobile Show; twenty-one had inspected them at dealers' showrooms. Of the eleven visited by salesmen this year, four had been solicited by two different salesmen. Thirteen executives had been called on by salesmen last year, three of these by two salesmen and four by three.

Because so many of them had not been in contact with automobile salesmen recently, only about half of them

would hazard opinions on the four factors of their aggressiveness, intelligence, enthusiasm and ability.

With one exception, all who had been called on by automobile salesmen were confined to the group of car-owning executives.

Among the comments which the executives made on automobile salesmen's aggressiveness were: "very lacking"; "moderate"; "lousy"; "33 per cent"; "N.G." And one or two added: "I've been called up on the 'phone only" and "they're lazy; they don't go after prospects, but rely on contacts established through relatives and friends."

One executive reported that formerly he had bought a new car every year. He is now driving a 1929 Hudson, and he has never been solicited by a salesman.



The hat of contention.

Sees \$2,125,000 Promotion of National Cotton Week

Cotton textile and garment makers, selling agents, converters, finishers, wholesalers and retailers, will spend about \$2,125,000 in advertising cotton merchandise before and during National Cotton Week, May 15-20, estimates George A. Sloan, president of the Cotton-Textile Institute, New York.

The institute's survey shows that 82,000,000 lines of newspaper copy will be used by stores for this purpose, and 173 miles of window fronts.

The number of cotton bales processed in the first quarter of this year has been larger than that of the same periods in 1932 and 1931.

Anglo-American Relations Strained by Wales' Hat

Just at this time, when England is embargoing Russia, Mussolini redesigning Europe, France establishing a group of ententes, Japan bullying China, Mexico frowning on Josephus Daniels and Hitler exterminating the Jews, the Hat Institute, Inc., New York, might have jeopardized Anglo-American relations.

Strictly speaking, however, it was not the institute but Garfield Advertising, Inc., which almost precipitated Armageddon.

As agency for the institute, Garfield proceeded to get a picture of the Prince of Wales in a Panama hat. It was, on the whole, a logical move. If Wales wears a Panama hat others will go and do likewise. Garfield bought the picture from a news photograph agency, and proceeded to mail it out in a portfolio to the 60 members of the institute. It began to look as though this would be a good summer for Panama hats.

Then the British Embassy squawked to the institute. The institute squawked to Garfield. Garfield sued the institute for \$1,495, which represented its charge for preparing and mailing the portfolio, including the picture of the Prince in the hat.

City Court Justice Keller has just dismissed the suit. Across the back of the picture, said he, was the line, "Not to be used for advertising purposes." He added that it is a misdemeanor to use the portrait of a living person for advertising purposes, without written consent. Garfield had pointed out that he had had authority to use the picture in this manner, but Justice Keller said that correspondence by the institute with the British Embassy "establishes the attitude of the embassy as opposed to using the photograph of the Prince of Wales to advertise hats."

A counter claim by the institute for \$2,000 damages for the alleged false representation was dismissed on the ground that no damage was proved.

Jack Frost Dealers Place 68,701 Lines of Copy

Thirty-four salesmen of the National Sugar Refining Company of New Jersey persuaded dealers during March to place 68,701 lines of advertising for Jack Frost products.

After two months of slightly lower figures, the company feels that it is back in its stride for this type of work. During the last four months of 1932 dealer advertising made successive records.

ANA and AAAA Favor "Principle" of Check on False Advertising

Full sympathy, "in principle," with the proposed amendments to the Federal Food and Drugs Act, on alleged false advertising, has been expressed by the Advertising Review Committee set up by the Association of National Advertisers and the American Association of Advertising Agencies.

The committee recommended:

"That such amendment be drawn along simple and broad lines, permitting of a flexible interpretation;

"That the present liability for infraction under the law which attaches to the vendor be retained without extending liability to a publisher or advertising agency involved (to avoid penalizing parties not finally responsible nor in full possession of facts);

"That no form of government approval of advertisements be required in advance of being published;

"That violation of the amendment governing advertising should not incur the penalty of product seizure now imposed by the present act under section 10, where the product itself and its label comply with the law;

"That a constructive administration of the amendment be provided, which will discourage offenders without hampering or obstructing legitimate advertising. . . ."

Economists Will Analyze Nation's Sales Problems

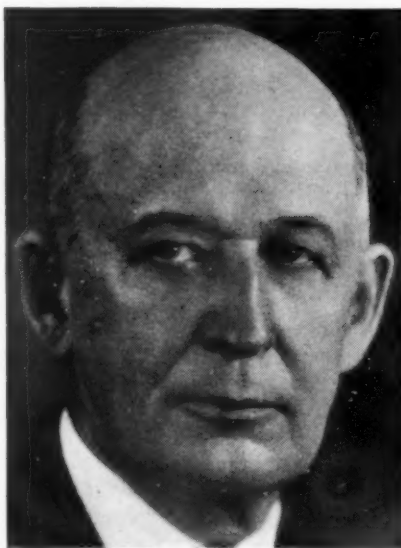
Following its regular Thursday luncheon meeting at the Roosevelt Hotel, May 4, the Sales Executives' Club of New York will hold an all-afternoon session, to get the analyses of current economic and political problems in their relations to selling.

Speakers scheduled include Professor H. Parker Willis of Columbia University; Horace Bowker, president of American Agricultural Chemical Company, and A. D. Whiteside, president of Dun & Bradstreet.

Ft. Worth Firm Becomes General Sales Agents

Terminal Sales Company has been formed by E. G. Dugey, J. P. S. Morgan and A. L. Scudder, to function as a broker and manufacturers' agent.

Located in Ft. Worth's new \$4,000,000 Texas & Pacific terminal warehouse, the company will have resident sales managers in every county in Texas, each man working his territory in the interests of a limited number of non-competitive lines.



Heavy buyer

Marshall Field, Wholesale, Promotes Harrison Shedd

A shake-up in the executive personnel of Marshall Field & Company, Wholesale, New York, has been announced by John McKinlay, president, with the appointment of Harrison P. Shedd as general manager and Grant S. Mears as assistant general manager.

Mr. Shedd is a nephew of that John G. Shedd who succeeded Marshall Field as president of the company in 1906 and who was president and honorary chairman for 20 years. Fifty-seven years old, he has been with Marshall Field, Wholesale, since 1896.

Mr. Mears, 33, has been president of a group of small stores owned by the company, and was previously personnel manager of the Wholesale division.

Sixteen Bell-Ans Users Seek Double Refund

On New York City subway cards, for a month expiring April 15, Bell & Company, Orangeburg, New York, offered to pay double the purchase price of 25 cents to anyone buying Bell-Ans for his indigestion, who might believe the product was not worth the money.

Joseph G. Dodge, advertising manager, would not divulge the effect of the offer on sales, but whatever it was, only sixteen labels were returned with applications for the 50-cent refund. "Seven," said he, "were from 'friendly enemies' in the Bronx, that looked a little grimy. Considering circulation, we think this figure low enough for returns."

"Extra Hour" Sales Plan Helps Appliance Volume of California Utility

Forty per cent of the major appliance sales of Southern California Edison Company, Los Angeles, are made after 5 p. m., it was discovered in a recent study.

In consequence, the company's 60 representatives are now required to make at least five evening appointments a week, frequently with their supervisors.

The analysis, covering eight months, explained H. E. Rice, appliance sales manager, was intended to show when and to whom (whether to husband or wife, or both) appliance sales were made, and to improve individual sales records. The findings for 19 senior salesmen and a divisional supervisor in promoting the more expensive specialty items, such as electric refrigerators, water heaters and ranges, showed that:

- 1,046 sales were closed during the entire period;
- 634 were closed between 8 a.m. and 5 p.m.;
- 412, or 40 per cent, were made after 5;
- 402, or 39 per cent, were made without the husband being present;
- 91 were made directly to the husband, or only 8 per cent of the total.

The survey was based on the efforts of two classes of salesmen: Class A, of six star salesmen; Class B, of 13. It was found that Class A averaged more "after-hour" sales and that this group made 570 sales in all, or more than half the total. Also, that of this number, 49 per cent, or 278 sales, took place after 5 p. m., while 292 were closed by Class A salesmen during regular hours. Class B, on the other hand, had a record of only 134 units, or 29 per cent, as a result of evening appointments, making fewer calls and devoting its effort to daytime selling with a record of 71 per cent, or 342, against the total of 476 sold by Class B men. Finding that evening appointments were productive and profitable both to the company and sales force, Southern California Edison therefore strengthened its sales plan to include this "extra hour" policy and gradually eliminated Class B men.

50 Years of Organized Candy

The 50th anniversary of the first national organization of the candy industry will be recognized by the National Confectioners' Association, New York, in convention and exposition at the Sherman Hotel, Chicago, June 19-23.

Charles-of-Ritz Robots to Help Women Glow at 5 Cents a Throw

Over the counter some women have been buying two ounces of Charles-of-the-Ritz cleansing cream for \$1.10.

Now, Robert Drob expects, many more women will buy it, from vending machines in office buildings, railroad stations, theatres, hotels, country clubs and other places, at 5 cents or 10.

There will not be so much cream at this price, of course. But there will be enough for four applications, and cleansing tissues, too.

Mr. Drob, who used to be merchandise manager for National Department Stores, got the idea a year or so ago. He took it to Charles, who, concerned with *Vanity Fair* and *Vogue* audiences, saw no objection to Mr. Drob devising tubes and vending machines. In fact, Charles thought the plan would enable more women to familiarize themselves with the product.

Then Mr. Drob formed the Minute-Make-Up Company, with headquarters in the Bankers Trust Building, Philadelphia. He is now appointing franchise holders.

The machines, with Bakelite base, black and yellow top, carry a red-on-silver art poster 27 inches high, emphasizing the slogan "Refresh Your Loveliness!"

Mr. Drob plans to start business magazine advertising for franchise holders next month. By the middle of April he had received about 1,000 applicants for franchises from as far west as Kansas City and as far south as New Orleans. He is selecting them slowly. It will be an exclusive arrangement in each city, he said. In larger cities, of course, other business men may get sub-franchises, covering specific types of outlets. He expects to have 5,000 machines ready soon.

Machines will be rented for \$3 apiece a year. The initial payment of the franchise holder on each is \$6.75, which includes \$3 for wear and tear, 75 cents for the franchise. Mr. Drob is advising franchise holders to start in a small way, and grow soundly. There will be only 100 machines available at first for the city of New York.

He hopes to do a gross business of \$230,000 the first year. There is no stock for sale—the company being owned entirely by Robert and Morris Drob, Dr. Nathaniel Stautz, of Pittsburgh, and Louis C. Leventhal, Philadelphia lawyer.

He expects most of the franchise holders to sell the product at 5 cents, though some, at their discretion, may charge 10.

World-Wide Consumer Study Tells Bauer & Black How to "Aim" Copy

One million questionnaires a year for the last three years, printed as an extra page of its "directional insert" enclosed with corn plasters sold over the counter, have told Bauer & Black, Chicago, what sex and age of people prefer its product and why, where they are, and which media are the best to reach them.

Though only a small percentage of Blue-Jay corn plaster packages contain the questionnaire, distribution is devised to reach users in every part of the world. To encourage adequate and representative returns, a package of Protect-O-Pads or a can of foot powder is offered by mail free for each return.

"We get a surprising return from all over the United States—in fact, from about everywhere English is spoken," explained Harris Frazier, manager of the foot products division.

"This knowledge is helpful to us," he added, "in preparing advertising copy and in determining which magazines and newspapers to use."

"Everything changes. Our position may change. We want to know the trends."

"One thing we have learned is that if we advertise in all newspapers in cities of from 100,000 up, we can blanket the nation with our message. We have learned that almost every farmer, for example, takes some large-town newspaper."

"So we find we can eliminate the small-town weekly and reach about all of the reading public. This has saved us much money because the milline rate in the small paper is very high."

"We have learned which magazines are most widely read by our customers. That has helped us not only in selection of media but in the preparation of copy. The age, sex, reading appeal and so on must be taken into consideration."

The "Garden" Goes to Work for Electrical Equipment

Under the auspices of Madison Square Garden Corporation and the sponsorship of the Electrical Association of New York, a "National Electrical Exposition" will be held at the Garden, September 20-30.

Devoted primarily to radio, refrigeration and air conditioning, it will cover the entire range of home and industrial appliances.

Referring to the Garden as the

1. Who in your family will use these Blue-jay Corn Plasters?
Number of males _____ Number of females _____

2. Who actually purchased this package at the store? Male _____ Female _____

3. In which of the following age groups would the users' age fall? Under 20 _____
20 to 35 _____ 35 to 50 _____ Over 50 _____

4. Why did you select Blue-jay Corn Plasters in preference to some other brand?

5. How long have you been using Blue-jay Corn Plasters? _____

6. What is the occupation of the head of the family? _____

7. Do you have a radio in your home? _____

8. What magazines do you read regularly?

9. What daily newspaper do you read every day? _____

10. Please show here whether you want us to send you Protect-O-Pads or Foot Powder.

Bauer & Black's ten points.

"We are planning, this year, to test out broadcasting. So we want to know the proportion of our buyers that are members of the radio audience."

"The manufacturer of high-priced autos, or pianos, or mechanical refrigerators can keep up with his buying family pretty well. Records and contacts are possible. But with us—millions of buyers, all over the world—it is very different."

"Civic Center of America," the announcement points out that the Greater New York market does 10 per cent of the nation's radio and electric refrigerator sales, has 12 per cent of the electrical appliance and refrigerator dealers, 20 per cent of the radio and electrical appliance jobbers, and an annual domestic per capita consumption of electricity of 122 kilowatt hours, compared with 112 for Chicago and 119 for Philadelphia.

Clarence L. Law, New York Edison Company, heads the association.

What Is "Sales Management?"

(Continued from page 475)

pany officials state that the Natma definition is incomplete and restrictive, that it barely begins to cover the duties of the able sales executive. One of our subscribers, Mr. R. D. Keim, general sales manager of E. R. Squibb & Sons, was so interested in the problem that he not only contributed his own carefully-weighed thoughts on the subject, but asked four of his friends—all experienced and practical sales executives—to give their opinions and reactions. Mr. Keim:

"The definition of 'sales management' issued by the National Association of Teachers of Marketing and Advertising is to my mind entirely too narrow and academic.

"My definition would run something like this:

"Sales management is the composite function of

'A. Formulating sales and marketing policies.

'B. Directing and supervising the sales, merchandising and marketing activities of the home and branch office staffs and the field staff.

'C. Coordinating advertising and merchandising activities with personal salesmanship and selling by mail.'

"As a matter of interest, I quote below the opinions and reactions of four experienced and practical sales executives of my acquaintance to the definition given in your letter:

"Mr. A.—'Definition entirely too narrow. He should direct all types of sales promotion, have at least a coordinate voice in advertising and, above all, formulate or at least initiate recommendations for sales policy in all its ramifications.'

"Mr. B.—'Definition not all-inclusive. I think the definition is a very excellent one for *certain* sales managers whose responsibilities are limited and restricted, and where the responsibility for sales management in a concern evolves itself on more than one executive in the company. If to their statement they added, ". . . and includes the authority and responsibility for making sales at a profit," it would then be complete and would in my mind apply to any organization.'

"Mr. C.—'Definition given falls far short of the mark. In sales management we cannot overlook organization policies and a thorough knowledge of the manufacturing processes. Assuming that a business structure is composed of three broad supports or arches—financial, manufacturing, distribution—it is evident that sales management involves much more than the

direction and control of sales personnel: it must be concerned not only with the advertising but with every phase of distribution, including markets, their potentialities and the character of the outlets to be able satisfactorily and profitably to direct the activities of a sales staff.'

"Mr. D.—'Definition very narrow. How about merchandising, advertising and other forms of sales promotion? The modern sales manager does not stop at *direction and control of personal salesmanship in the field.*'"

J. W. Frazer, general sales manager of the Chrysler Corporation, had a broad-gauged definition of sales management in mind when he said, at a meeting of the St. Louis Sales Executives' Club:

"A sales manager holds a changed position in the average large corporation today as compared with three years ago.

"Three years ago production was the big problem, and up to that time manufacturing and the development of production methods commanded almost primary attention on the part of leaders of industry. Production men who could build at a price and maintain a semblance of quality found favor in the eyes of their management and gained rapid promotion.

"The sales manager was necessary, of course, but because of the great increasing demands for manufactured products the sales manager's requests for appropriations for advertising and sales promotional activities were granted largely because his institution was profitable—his corporation was making money—and the clamor for more production was an apparent justification for granting these requests.

"It was not really felt that an appreciable volume of sales might be lost without the sales campaigns that depended upon the ability of the sales manager, and the average management did not think that the corporation could not carry on without one-half or one-third of the advertising it was doing.

"In many institutions the sales manager up to that time was not permitted to have access to all the figures and data he should have had. He was not taken into the full confidence of his management for his views on what would constitute the proper policies concerning quality and type of product—selling price—discounts and other important matters to meet the market which he was expected to sell.

"Many an institution might have

had a better history of profits had they taken the sales manager more into their confidence and utilized his intimate and specialized knowledge of his market's demands—so that he could have offered to the public certain savings that were made in manufacturing, in a better product, and thereby insure a volume of production rather than to see it crumble away under a buyers' strike. The sales manager of that time reminds me something of an interesting anecdote I heard a short time ago about the Italian King: It seems that Premier Mussolini was having an interview with the King, when the King dropped his handkerchief. The Premier stooped and recovered it and handed it to the King. The King thanked Mussolini most profusely and continued to thank him until Mussolini said, 'Why, your Majesty, do you thank me so profusely for so small a favor?' The King said: 'I will tell you; this handkerchief is very dear to me. It is the only thing in all Italy that I am allowed to put my nose into.'

"The major problem today is sales—which embraces:

"*Ability* to determine what the public wants in a product. *Skill* to present a product for sale. *Talent* to devise methods of merchandising, in addition to *Executive Leadership* to organize and direct the activities of great bodies of distributors, dealers and salesmen in the field.

"That is why the sales manager's position is more important than it has ever been to American business. That is why, through the purchase of proper sales and advertising talents (rather than the purchase of raw materials at low figures), many manufacturing institutions must fortify and insure their future prosperity. And that is why in future years you will see large corporations headed by men who have come up through the channels of salesmen."

There has been a growing trend in the last decade toward giving one executive in the business control of all phases of marketing, including, of course, the actual selling and the advertising. The titles vary—vice-president in charge of sales, director of distribution, general sales manager, are a few of them—but the duties and responsibilities are more uniform and may be summarized as the authority and the responsibility for making sales at a profit.

C. M. Schultz, manager of the Fertilizer Sales Department of the American Agricultural Chemical Company, puts it this way:

"The responsibility with which thorough sales management must be charged embraces more factors than

those included in the definition quoted. To put it briefly, it is my feeling that the primary concern of sales management is so to direct and control selling operations that the maximum net profit is obtained for a given amount of sales effort and expense."

Arthur W. Trethewey, superintendent of agencies, the Metropolitan Life Insurance Company, agrees that the Natma definition does not cover the ground. "Sales management today," he says, "includes a number of things, such as sales strategy, the personnel of the sales force, the customers, the costs and the profits. It ties up with advertising and with production."

William Best, vice-president in charge of sales, the General Cigar Company, thinks that the teachers have left out an important function, that dealing with the "humanics" of selling. He says:

"My thought is that this term might be stated as the authoritative management of the development of markets and of the task of selling along lines of agreed company policy."

"The definition given in the second paragraph of your letter is reasonably complete as it applies to the mechanics of organized selling through salesmen, but in my opinion there is one other very important requirement which the writer is unable to concentrate within an expressive phrase."

"It concerns salesmen as individuals and involves selling *him*—faith in his company—belief in the fairness and soundness of its policy and methods and a firm conviction of competitive merit in the product he offers—to me these are most important."

"Then the salesman's work should be individually and helpfully supervised—ways for improvement shown, points of weakness and strength noted and an effort made through friendly, constructive suggestion and through example also to increase personal efficiency with resultant benefit to employer and employee, and this supervisory work should be a definite part of sales promotion, conducted so earnestly and consistently as to leave with each salesman a renewed feeling of interest and enthusiasm, serving also as a recurring reminder to him of his importance to the success of his company in their marketing effort."

"We are working this plan through our own organization, which is why it comes to my mind so strongly as this letter is being dictated."

Arthur Raphael, sales manager, the Lionel Corporation, feels very keenly that sales management has many ramifications beyond the actual hiring, firing and directing of salesmen, and explains it in this way:

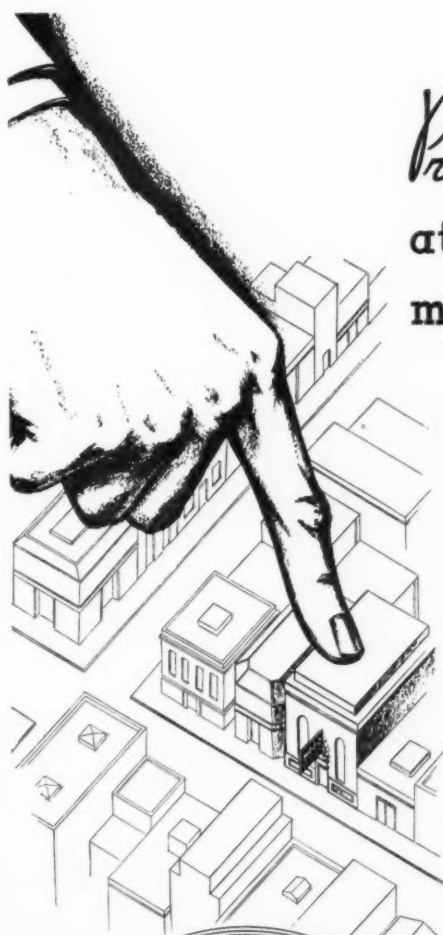
"My conception of sales management is the inspirational leadership of men. It includes investigation of new outlets for a product, an exhaustive survey of markets and, of course, engaging and training of sales personnel. The equipping, routing and other purely routine tasks can well be left to a capable assistant."

"To my mind it also includes actual selling in the field. The leadership of a sales manager must be more than theoretical and abstract. I believe in a selling sales manager. A vast amount of correspondence must necessarily emanate from the desk and over the signature of this executive."

"Furthermore, his counsel and point of view must be sought by the adver-

tising manager. In our own organization the advertising manager and sales manager have many conferences. Sales promotional work is closely allied to sales management. Discussions of the most effective type of cutouts, dealer cooperation and trade paper advertising are of great importance to the sales department, and something in which the sales manager should have a very definite voice."

"The competent sales executive of today is a student of market conditions, market trends and an analyst of Government and State trade statistics. He must know credit conditions and should always be consulted before some action on the part of the accountant or credit manager is taken."



Product Identification at the point of sale must be permanent—

Thousands of Ing-Rich Porcelain Enamel Signs are telling consumers everyday where to buy the nationally advertised products they read about or hear featured over the radio.

Ing-Rich Signs are always distinctive . . . they can be made in practically every color of the rainbow, in any design or shape you may require. Their original beauty is fadeless . . . permanent . . . eye-appealing. Neither sun, wind nor rain can mar or corrode its smooth, glassy surface.

This is why so many prominent advertising agencies and advertising managers always incorporate Ing-Rich Signs as an integral part of their advertising plans and recommendations.

Let us send you the facts,—write for our booklet: "Fadeless Publicity."

ING-RICH
ENAMELED
SIGNS

INGRAM-RICHARDSON
MANUFACTURING CO.
BEAVER FALLS, PENNA.

Media and Agencies

46 Cents for Newspapers

Of every dollar spent last year by that mythical but highly important individual, the Average National Advertiser, in newspaper, magazine, broadcast, outdoor and car card advertising, 46.4 cents went to the newspapers, the Bureau of Advertising, American Newspaper Publishers' Association, points out in its annual report.



E. S. Friendly

Though the Advertiser's dollar was some 20 per cent smaller last year than in 1931, the proportion in newspapers, the Bureau estimates, was to the very .4 of a cent the same. The magazines' share, meanwhile, declined 4.4 cents, from 37.7 to 33.3. The three other media all increased their proportion—broadcast from 8.1 to 11.3, outdoor from 6.8 to 7.8 and car cards from 1 cent to 1.2.

Radio's progress in the last three years, it appears, has been mainly at the expense of magazines. The newspapers' share of the dollar in 1930 was 45 cents. Magazines in that year were paid almost as well, 39.6, while outdoor received 8.8 and radio only 5.3. Thus in this period, the magazine part of the annual dollar dropped about 15 per cent, and radio's part more than doubled.

The report, signed by Edwin S. Friendly, New York *Sun*, chairman of the committee in charge of the bureau, estimates that the total volume of national advertising in these five media was \$345,000,000 in 1932, as compared with \$442,500,000 in 1931, and \$510,500,000 in 1930. For these years newspapers received, respectively, \$160,000,000, \$205,000,000 and \$230,000,000; magazines, \$115,000,000, \$167,000,000 and \$202,000,000; broadcast (the only one of the five to have an actual dollar increase from national advertisers in 1932 over the two previous years), \$39,000,000, \$36,000,000 and \$27,000,000; outdoor, \$27,000,000, \$30,000,000 and \$45,000,000, and car cards, \$4,000,000, \$4,500,000 and \$6,500,000.

The peak year in volume of national advertising in newspapers, Mr. Friendly points out, was in 1929, the estimated total then being \$260,000,000. This figure was more than five times the estimated volume of 1913, when the bureau was started.

"The work of the bureau," he adds, "will always be associated with the development of newspaper advertising." This work has been to emphasize that the "country is not a single market, but rather a collection of markets—some good, some poor, some unsuited to an advertiser's product." It has also been to show that "newspaper circulation duplicates all other forms of advertising and, in addition, covers a field exclusively its own."

Some of the ways in which the members of the staff, headed by William A. Thomson, director, managed to keep busy during the fiscal year ended February 28 were by

1,500 solicitations and contacts among advertisers and agencies, 102 speeches and special presentations before such groups and before newspaper staffs, chambers of commerce, etc.; by answering 5,500 calls for information, distributing 29,960 pieces of printed matter in the interests of newspaper advertising, and 17,575 pieces of mimeographed material for information of members and special representatives.

In telling its story, the bureau avails itself of other media. In addition to all the personal selling and direct mail work outlined above, for example, it has made 33 showings of a new slide film, "The Newspapers," in the first six weeks of the new fiscal year.

Radio Must Pay

After some years of hemming and hawing and impotent groaning, the nation's newspaper people got together in New York last week and did something about the radio situation.

Resolved, said the American Newspaper Publishers' Association, "that in the future newspapers should not publish radio programs free of charge and should publish them, when offered, only as advertising matter, to be paid for as other advertising is paid for."

Resolved, said the Associated Press, "that AP news of major local, national or international importance may be broadcast by a member over a broadcasting station located at the place of publication in a brief bulletin form of not more than 30 words each, and one bulletin only on any one subject. Sports events need not be subjected to the 30-word or one-subject limitations. Such bulletins shall be broadcast only within the hours of publication of the member, with full credit to the Associated Press and to the member newspaper broadcasting. Such broadcast of bulletins shall in no way be connected with commercial programs. E. O. S. (extraordinary service) material, which is not subject to limited hours of publication, is excepted, but such matters shall be subject to the 30-word limitation."

Previously, the AP had decided not to permit the radio chains to use its election material.

Time Sets the Pace

Those who tuned in WABC, New York, at 8:30 Friday evening, April 21, in the hope that maybe "The March of Time" really had not gone off the air a month before, were rather pleasantly surprised. If what they heard, from WABC and 55 other CBS stations, was not "The March of Time," it was a twin brother or a familiar chip off the old block.

This program, however, was not sponsored by Henry R. Luce and his agile snoopers of *Time* magazine, but by Plymouth Motor Corporation. Instead of an appeal to call Western Union and have your copy delivered next day, there was an invitation to go down to your Chrysler, De Soto or Dodge dealer's and see the new Plymouths, at \$465 up. And instead of being called "The March of Time," it was "Plymouth Sets the Pace."

But there were the same dramatic news presentations (with five popular songs chosen by Irving Berlin, and a scene from George Cohan's latest play, thrown in for good measure), the same orchestra and several of the same actors.

As we go to press complete figures are not yet available as to how many people went to the showrooms as a result of the broadcast and the newspaper space employed, and as to how many cars were sold. There was, however, we thought, too much advertising in the broadcast. Instead of being stimulated by what Zola used to call the "inexorable hammer of events" in the passing of time, we were floating-powered into an eternity of Plymouths.

Ford and Horse

Herbert W. Lancashire has become vice-president and automotive merchandising counsel of Bayless-Kerr Advertising Agency, Cleveland. He brings some interesting experience to bear especially on the latter. When with Ford in 1910, Mr. Lancashire startled motordom (and perhaps is being



H. W. Lancashire

blamed by a lot of people for their present financial straits) by making the first time-payment sale of an automobile. The next year he designed and sold the first delivery car built on a passenger car chassis. Till then, against purely "pleasure" competition, Dobbin had managed to stand up pretty well, but when delivery cars started to move into his shafts, he didn't have a chance. This led to the development of the slogan, "Howdy, Mr. Ford; Goodbye, Mr. Horse." The fact that the slogan has been inverted a bit in recent years merely means, to Mr. Lancashire, the need for better automotive salesmanship.

Bolted Up

Two veteran hardware trade magazines, *Hardware Age*, of the Iron Age Publishing Company, and *Good Hardware*, of Butterick Business Publications, have been bolted together as "Hardware Age, with which is combined *Good Hardware*." Butterick will maintain an interest in the combined publications.

Account Changes

Most of the subsidiary companies of Standard Oil of New York are now in the Batten, Barton, Durstine & Osborn advertising fold. The latest is White Star Refining Company, Detroit. . . . Waters Genter Company (Toastmaster, Wafflemaster, etc.), has gone to Erwin, Wasey. So has Tish, Inc., tissue handkerchiefs. . . . Craddock-Terry Company, shoes, to Hanff-Metzger, Inc., New York. . . . Guide Lamp Corporation to Campbell-Ewald, Detroit.

When One of My Salesmen Gets "Off His Feed"

(Continued from page 468)

an active producer, bringing him an over-riding commission on every sale made. He has learned that being a sales manager is the real way to make money, because, in effect, he is magnifying himself and his selling ability several times.

The salesman with a grievance is always a problem. Misfits in the sales force run to a number of types. We had one salesman who was literally too good, for our peace of mind. He made a tremendous number of sales, but being an extreme egotist, always regaled the new salesmen with his feats. He would tell them how hard sales were and how his magnificent ability overcame all of those difficulties. He loved an audience, the bigger the better. The result was that almost every day he was scaring a lot of new salesmen by telling them how hard it was to sell. The other bad feature of this salesman was the manner in which he wasted the general sales manager's time. I make it a policy for my door always to be open; any salesman can see me at any time. This particular fellow, after boasting to the new salesmen, would come and boast to me daily. He was good and he wanted everyone to know it, including the boss. He was too great a pest and we could do nothing to deflate his ego. Despite the number of sales he brought in, we had to fire him, to resist the temptation to murder him!

Backbone for Weak Sisters

In contrast to this type of salesman is the weak sister who takes up executive time with grievances. One of our saleswomen who wasn't doing so well had a personal grudge against her sales manager. She was spending more time nursing this grudge than she was selling. Moreover, when I took her away from this sales manager and put her in my group of misfits (which I call the "psychopathic ward"), she wasted too much of my time. She had seen better days and took every occasion to retell me that fact. She expected sympathy from me and special counsel on every little job she did. For self-protection, and in an effort to set her straight, I realized I must deflate her forcibly. Her most vulnerable point was her economic martyrdom, so I kidded her out of it by citing the analogy of my own case, telling her that no one really had faced life if he hadn't been dead broke at

least three times as I had. That was a new one to her and took all the wind out of her sails. With that experience of mine, I certainly couldn't be expected to give sympathy to someone who had only been broke once. Her best talking point lost its potency. Having established that, I went a step further and personally advanced her 50 per cent of her future commissions, if she would bring me an order the next day. By that, I put her on her honor not to let me down. She brought in three orders before the end of that week.

Psychopathic Case, File Closed

She is now out making real sales. As she began to make sales and the cure became effective I had to take the final step, which was to get her back under some sales manager and out of the psychopathic ward. So I explained to her that I couldn't help her any more. She was good enough, as she had proved in the last few weeks, to make sales on her own. Would she, therefore, mind working with some sales manager whose group needed a good salesperson to help them out? This appeal was successful. She has gone with a sales group with the idea that she can help them towards their quota. And, as they say on the radio, "Bureau of Sales Management Investigation, psychopathic case, file closed."

The problem of alcohol becomes no problem at all if the management doesn't take it seriously. In our outfit we don't treat alcoholism from the moral standpoint at all, but from that of common sense. That this method is effective is proved by the fact that our most violent alcoholic case is today a branch manager. A professional football player had become one of our sales managers. He sold a typewriter to a customer whom he found out later owned a speakeasy. In the course of following up the customer, he met the customer's crowd at the speakeasy and made a few more sales. In the course of getting these sales, he started to drink. In a fairly short time the liquor got the best of him. When we asked his sales force whether or not they wanted to be transferred to another sales manager, every one of them said they would stick with him. This proved that, regardless of his temporary lapse, he must certainly have the qualities of leadership to inspire such loyalty. So we decided to salvage him.

In the first place, we refused to take any orders from the series of customers he had developed through the speakeasy owner. Next we told him how his sales force had stuck by him and, finally, we discussed the problem of liquor itself. To have told this type of man that he shouldn't drink because it was morally bad would have been ineffective, because he had just enough of the devil in him to want to be contrary. So we adopted the attitude that he was a sap. All that liquor was doing for him, was temporarily building his ego, making him think he was a pretty great guy and giving him a picture of himself not consistent with the facts, particularly with the facts of the last few days. The effect was instantaneous. The last thing in the world he thought himself was a sap, though he probably fancied himself quite a devil. Instead of playing up to the devil idea we had done just the reverse of what he expected. To say he was ashamed was to put it mildly. He realized himself discredited in the branch he had worked and he was ready to do almost anything to get back his standing. With this attitude we decided on another bold stroke. Instead of reducing him in rank and taking away his salesman'ship, we surprised him by elevating him and making him branch manager.

A Second Chance

It so happened at this time that there was difficulty in one branch and we needed a branch manager who would put aside personal gain to clean up the mess and rebuild. He was ideal for the job. We guaranteed him a small living income on future commissions and gave him the terrific job of taking over a branch and waging an uphill fight. Most important of all, we had given him the chance to clear his name with the crowd that wanted to stick by him. He is doing just that today, admirably.

These are but a few of the hundreds of cases of purely individual man-problems an organization like ours has to deal with in six months' time. Whether such a problem is going to mean a "man overboard" depends almost entirely upon the sales executive in charge and the extent of his understanding of human motives and desires. There aren't any rules for handling such cases that I've been able to discover—except, possibly, these two: put yourself in the errant salesman's place and try to understand his point of view. And, give a man credit for his good qualities; believe in him and his ability to come through during the time he is making the struggle.

Doughnuts Are Making Money!

(Continued from page 469)

internal management is even more so. We try, for instance, to pick employees who want more than jobs. The managers must be made to believe that they run their whole business.

"Most of the managers are handsome young men. The girls at the service and package counters are attractive, too. We think they personify quality. And we think the appearance of our men and women is important in winning women customers. We take special pains to please the women. Their presence suggests quality. Also, they are the purchasing agents in their homes. It is they who specify Maxwell House coffee and Mayflower doughnuts at their neighborhood stores."

Mr. Friedel mentioned several reasons why the Mayflower shops are able to make profits in sections where larger and older national chains and other types of stores have had so much trouble. They might be summed up as specialize, organize, publicize.

"We sell only doughnuts and coffee, tea and orange juice. These are popular items with fairly high unit profits. We sell only one brand of each, and only one size of doughnuts—plain, sugared or frosted. There has been pressure on us to add other items, such as cheese, but we have consistently refused. No, we're not going to sell beer. We won't enter the restaurant business either.

"Almost invariably people come in to ask only for the products we sell. We spend our time in filling orders. Though the average sales check is only 15 cents—exclusive of those who buy doughnuts to take out—the number of customers is enormous. About 1,000,000 were served at the New York shop last year.

"Then, our selling day is longer than that of any other type of chain. The New York shop is open 24 hours a day—has not closed its doors for a moment since it was started in 1931. Those in other cities are busy from 7 a. m. till after midnight, and they'll stay open longer if the trade warrants.

"A little investigation of our own showed some interesting findings as to variations in the types of customers served in New York. The after-theatre crowd arrives in full regalia between 11 and 12. A couple of hours later we get the morning newspaper men, and men-about-town seeking a little something with which to straighten themselves out before going home. At 4 and 5 come the truckmen and the milkmen; and be-

tween 8 and 9 the office people, for breakfast. Each group has its own eating time.

"One reason for specializing was to prove to franchise holders and their customers that we aren't trying to compete with them. Instead of cutting into their trade, we think we stimulate it. Dealers near the shops feature Mayflower doughnuts. The Blue Kitchen restaurant chain, for example, sends in to get them fresh. The Hotel New Yorker makes a bit of capital from the fact that it gets freshly-made Mayflower doughnuts from the Broadway shop at 6:15 in the morning.

"Our Detroit opening precipitated some rapid thinking. We had to translate our experience quickly into action. When I arrived there to take charge, the latter part of March, I was told that we were crazy to try to start a new enterprise in Detroit at that time. Business was quiet and competition for the business available was bitter. But we operated in the black there from the first day. The shop opened at noon, Wednesday, March 29. In the first 12 hours we had 800 customers. On Saturday, April 8, we served 1,400.

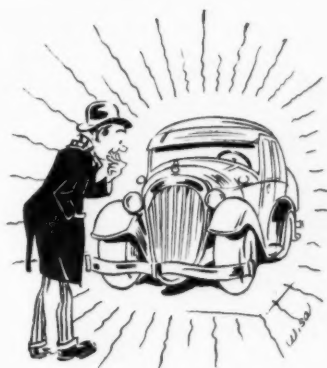
"The Detroit shop is on the ground floor, beneath a Chinese tea garden, on the busiest street in town. We persuaded the tea garden to let us use two of their floors for a three-story sign, featuring the Maxwell House and Mayflower names, and dramatizing Maxwell House's "Good to the Last Drop" slogan with a tilted cup spilling electrical drops around the sign and into the door.

"Then I went around to talk with Detroit bankers, editors, business men and civic leaders. Mayor Frank Murphy, recently appointed governor general of the Philippines, agreed to come around and cut a ribbon across the door at the formal opening, and to have some coffee and doughnuts with us. The newspapers had some good things to say about us—gave us about eight columns of publicity. The Detroit Times wrote a half-column editorial about the project.

"But I was interested also in enlisting the cooperation of the Maxwell House and Ward Baking sales organizations there, and, insofar as possible, of making our competitors our friends.

"The day before the opening I held separate previews for the two sales organizations. I think they were amazed at what we had to show them.

(Continued on page 496)



High priced—low priced

WHAT DO THEY CARE —

When New Yorkers go in for motor-ing they certainly don't behave like pikers. Perhaps this is because they can afford to tread (ride, if you prefer) above the elevation of the hoipolloi. Be that as it may, one fact remains pre-dominant—they do buy automo-biles and opinion seems about evenly divided as to cost. Sorry this cannot be said for the coun-try as a whole. Go on, check us on that statement.

Last year Essex County, the nucleus of the Newark market, registered 148,240 passenger automobiles. Those costing under \$1,000 num-bered 75,935. Those hitting the check-book a more severe jolt totaled 72,305. Three years ago (1930, if you please) Essex County motorists paid taxes on 146,618 cars—price opinion was 75,109 under—71,509 over.

Whether you make autos or not is unimportant. Whether you are selling the Newark Market or not is. But most important is an ad-vertising schedule in The Newark Evening News. It influences and accelerates more buying power than any other newspaper pub-lished or sold in this market. And, incidentally, it has published more automobile lineage than any other morning or evening week-day paper in the country for the past nine years.

Newark Evening News

EUGENE W. FARRELL
Business & Advertising Mgr.
215-221 Market Street
Newark, New Jersey
O'MARA & ORMSBEE
General Representatives
New York Chicago Detroit
San Francisco Los Angeles

94 Bright Spot Cities

Business Activity as Measured by Bank Debits

IN order to make this monthly index of business activity directly comparable with the figures on retail sales and income which were printed in the April 10th "Survey of Spending Power" we have changed the basis of comparison. Instead of comparing current 1933 figures with the average of the years 1926 to 1928 (which were called normal) we are, effective with this issue, using 1932 figures for comparative purposes.

This makes it possible to bring the Survey figures up to the current month. Example: A city had retail sales in 1932, according to the Survey of \$119,000,000. According to the data presented herewith the business activity level for this year to date is 80.0 per cent of 1932, thus indicating retail sales for the year 1933 of \$95,200,000. Michigan and Maryland figures for the month of February are distorted because of extensive bank closings during the month.

The Federal Reserve districts which have made the best comparison with last year are New York, Philadelphia,

Atlanta, St. Louis, Minneapolis, Kansas City, Dallas and San Francisco. Major cities which have made the best showings include Boston, Syracuse, Philadelphia, Cincinnati, Columbus, Toledo, Pittsburgh, Washington, Atlanta, New Orleans, Chicago, Indianapolis, Des Moines, Milwaukee, St. Louis, Memphis, Minneapolis, Denver, Oklahoma City, Houston, San Antonio, Los Angeles, Oakland, and San Francisco.

Relative Standing is the relationship of the individual city for the current month, with the country as a whole. A figure of 120, for example, indicates that bank debits in a particular city were 20 per cent better than in the entire U. S. A. The trading area population figures are publishers' estimates.

The cities presented herewith are those which equal or exceed the national average. The complete list of 262 cities is available monthly at a subscription price of \$2.00 a year. Copies are sent by first-class mail on the 20th of each month.

	Trading Area Pop. (000 omitted)	BANK DEBITS ('33 as of '32)			Relative Standing
		Jan. %	Feb. %	Yr. to Date %	
U. S. A. Average (excl. N. Y. City).....	....	75.8	80.1	78.5	100
Boston F. R. District.....	....	75.5	80.0	77.5	98
Hartford, Conn.	458	75.4	84.0	82.5	105
Bangor, Me.	35	77.7	85.1	81.4	104
Boston, Mass.	2,835	77.0	80.1	78.5	100
Brockton, Mass.	210	71.8	82.3	80.0	103
Fall River, Mass.	138	78.5	83.2	80.1	103
Lowell, Mass.	162	99.2	87.9	94.8	121
New Bedford, Mass.	154	66.7	83.7	84.0	107
Manchester, N. H.	174	80.0	88.2	83.7	106
New York F. R. District (excl. N. Y. C.) .....	....	78.8	77.9	78.3	100
Stamford, Conn.	81	79.4	80.0	79.7	101
N. J. Clear. Hse. Assn. (incl. J. C. Hoboken, etc.)	632	76.6	85.4	80.4	103
Binghamton, N. Y.	153	82.6	78.3	80.5	102
Elmira, N. Y.	300	83.1	80.0	81.3	104
Syracuse, N. Y.	450	79.2	86.8	82.6	106
Philadelphia F. R. District.....	....	81.6	91.1	86.0	110
Camden, N. J.	675	74.8	87.1	80.5	102
Trenton, N. J.	169	78.5	91.5	84.8	108
Harrisburg, Pa.	262	105.1	91.1	98.5	125
Hazleton, Pa.	100	80.7	80.0	80.4	102
Philadelphia, Pa.	3,527	83.9	93.6	88.4	113
Scranton, Pa.	300	79.2	82.1	80.7	103
Cleveland F. R. District.....	....	70.0	86.0	76.7	98
Lexington, Ky.	170	80.8	74.3	80.4	103
Canton, O.	290	80.1	86.9	83.3	107
Cincinnati, O.	1,030	76.1	84.3	78.5	100
Columbus, O.	654	70.3	88.5	78.5	100
Lima, O.	143	96.0	85.3	90.0	115
Toledo, O.	732	82.9	94.2	88.3	112
Warren, O.	107	78.7	84.8	80.2	102
Butler, Pa.	85	82.5	84.7	83.0	106
Pittsburgh, Pa.	2,000	72.4	86.4	78.6	100
Wheeling, W. Va.	170	77.0	85.9	80.8	103
Richmond F. R. District.....	....	79.2	78.3	78.8	100
Washington, D. C.	672	84.4	100.9	92.1	117
Charlotte, N. C.	650	79.4	85.9	82.2	105
Durham, N. C.	250	81.0	100.0	89.1	114
Greensboro, N. C.	380	77.1	82.4	79.3	101
Raleigh, N. C.	381	110.8	111.6	111.4	142
Columbia, S. C.	443	79.4	93.1	85.1	108
Danville, Va.	160	75.0	84.8	79.0	101
Lynchburg, Va.	160	75.6	88.5	80.9	103
Richmond, Va.	313	91.1	91.8	91.4	116
Charleston, W. Va.	344	77.4	93.0	83.6	106
Atlanta F. R. District.....	....	76.4	86.4	80.8	103
Montgomery, Ala.	470	69.9	98.4	81.1	104
Jacksonville, Fla.	313	83.3	96.1	89.3	114
Miami, Fla.	164	74.1	90.1	82.2	105
Pensacola, Fla.	75	81.3	95.6	88.3	112
Tampa, Fla.	335	75.6	82.6	78.9	100
Atlanta, Ga.	1,341	80.2	86.4	82.9	106
Brunswick, Ga.	65	79.0	80.0	79.5	102

	Trading Area Pop. (000 omitted)	BANK DEBITS ('33 as of '32)			Relative Standing
		Jan. %	Feb. %	Yr. to Date %	
Elberton, Ga. ....	....	87.2	80.0	81.8	104
New Orleans, La.	843	80.0	96.0	87.2	111
Hattiesburg, Miss.	178	66.3	91.7	80.4	102
Jackson, Miss.	324	86.7	97.1	92.0	117
Meridian, Miss.	250	86.9	78.5	82.6	105
Vicksburg, Miss.	23	90.9	92.3	91.6	116
Chattanooga, Tenn.	407	81.0	80.8	80.9	103
Nashville, Tenn.	861	78.9	87.5	82.6	105
Chicago F. R. District.....	....	72.5	74.6	73.6	94
Chicago, Ill.	4,532	75.3	87.0	80.5	102
Indianapolis, Ind.	895	77.6	80.7	79.0	101
Terre Haute, Ind.	190	81.6	89.2	82.5	105
Des Moines, Ia.	891	92.4	92.5	92.4	118
Milwaukee, Wis.	1,226	75.8	92.2	83.3	106
Sheboygan, Wis.	127	80.0	79.8	79.9	101
St. Louis F. R. District.....	....	82.2	79.8	81.2	104
El Dorado, Ark.	96	74.4	90.9	86.1	110
Ft. Smith, Ark.	165	79.5	88.2	83.4	107
Helena, Ark.	85	92.5	90.0	90.9	116
E. St. Louis & Nat. Stk. Yd., Ill.	175	79.4	78.6	79.0	101
Louisville, Ky.	708	89.0	95.1	91.9	118
Greenville, Miss.	15	90.3	77.1	83.3	107
St. Louis, Mo.	1,465	81.3	77.8	79.8	102
Springfield, Mo.	261	93.3	85.2	89.5	114
Memphis, Tenn.	927	86.4	70.9	79.4	101
Minneapolis F. R. District.....	....	76.7	79.8	78.5	100
Minneapolis, Minn.	567	78.5	82.2	80.1	102
Billings, Mont.	13	81.0	81.4	81.2	104
Helena, Mont.	22	78.1	90.2	83.6	107
Kansas City F. R. District.....	....	80.6	77.2	79.0	100
Denver, Colo.	375	86.4	84.2	85.4	109
Pittsburg, Kans.	98	78.2	84.8	80.0	102
Topeka, Kans.	350	82.8	80.3	81.4	104
Joplin, Mo.	250	115.0	105.3	110.5	141
Bartlesville, Okla.	54	114.2	109.1	112.1	143
Muskogee, Okla.	140	81.6	78.0	80.0	102
Okla. City, Okla.	926	85.3	78.7	83.0	106
Okmulgee, Okla.	96	77.8	80.0	78.7	100
Tulsa, Okla.	325	79.6	79.3	79.5	101
Casper, Wyo.	72	89.1	78.4	84.3	108
Cheyenne, Wyo.	67	86.5	87.8	87.1	111
Dallas F. R. District.....	....	77.5	81.2	79.2	101
Roswell, N. M.	35	91.4	88.7	90.0	115
Abilene, Tex.	163	85.2	83.7	84.5	108
Austin, Tex.	224	89.4	105.6	97.5	124
Houston, Tex.	539	91.5	87.5	89.6	114
San Antonio, Tex.	255	87.2	74.7	81.3	104
Wichita Falls, Tex.	239	82.7	76.9	80.1	102
San Francisco F. R. District.....	....	76.2	82.3	79.0	101
Los Angeles, Calif.	2,313	73.4	84.3	78.5	100
Oakland, Calif.	586	93.1	83.0	88.3	111
Sacramento, Calif.	175	77.7	80.6	78.8	100
San Francisco, Calif.	1,631	78.9	86.9	82.6	105

How Necco Maintained Sales

(Continued from page 475)

accustomed to a small mark-up on tobacco, were willing to undercut other forms of distribution in the sale of candy. In its history, the company has seen all of these distribution outlets grow and take business from one another successfully. Because this picture is constantly changing, the company's policy must recognize all on an equal basis and favor none, either with price or special assortments of merchandise.

Another reason why the company insists on a one-price policy is the fact that studies have clearly shown how the small jobbers in the candy business collectively reach a greater number of outlets than the large jobbers do. If the company were to offer inside prices to large jobbers, it would concentrate its business in big accounts which can be easily bought by the next fellow if he is willing to give a better inside price. Furthermore, the company would cripple the small jobber, who is the bread and butter of the candy business. And last, one price makes for no complications in the sales force.

Treating all distribution forces on an equal basis means that the company gets distribution even through the smallest outlet, as, for example, the roadside stand. This outlet is served by the wagon jobber, who, because he is usually one individual operating his own wagon or truck, is able to cover these small outlets which would be unprofitable for a service jobber to cover. No matter how small the outlet, it is still valuable in the candy business, because candy is an impulse purchase and gross sales depend upon how much of the line is displayed in the greatest number of places.

To counteract the prevalence of various trick devices for price-cutting in the candy business, such as free deals, etc., the company has been running a campaign of education to the jobber. Furthermore, it intensified its work in training salesmen. If the salesman really has something worth while to say about his product, he doesn't need to "buy" business.

Before a new item is brought out, it is thoroughly tested in two ways. The sales research department mails samples to a group of more than five hundred people who serve as a free consumer test bureau. These consumers, spotted throughout the country, have agreed that, in return for free samples of the candy, they will carefully answer a set of questions

listed on a return postcard sent with the candy. The other method of testing is the use of a test territory which the company has surveyed sufficiently to make it feel it may be regarded as an accurate cross-section of the whole marketing picture. In this territory there is one retailer who will display the tested item and report consumer reactions, both with and without any sales effort on his part. On certain items the sales research department may decide to run an advertising campaign. This campaign is tried out in the test area. Also jobbers and retailers in this territory cooperate and answer questions research workers put to them.

In this way the company never introduces a product until it knows the product is right—never pushes a product until it has proved the advertising appeal to be powerful. Once having completed initial tests, the company endeavors to coordinate the efforts of the salesmen and the advertising forces to push this product heavily.

But the right product and the right advertising are not enough. The company leans heavily on sales promotion efforts. Sales promotion is given to both jobbers and retailers through dealer service work, which includes store displays, window dressing, actual selling for the jobber by missionary men, and the dissemination of trade literature of many varieties. In the practice of sales promotion through missionary men it has been our experience that best results are obtained by assigning these men to individual territories rather than to have them work on the flying squadron plan. In the former case they become a permanent fixture with the trade—they build up a personal acquaintanceship with retailers—they work with jobbers' salesmen and educate them to a better knowledge of the Necco line. In the flying squadron plan they are limited as to time and are interested only in making sales at high pressure, being often tempted to make promises which cannot be fulfilled, thus leaving an aftermath of ill-will which is difficult to dispel.

Because sales are the most important division of the business and because sales are determined by public taste, the company makes every executive, from the president down to the assistants of the production managers, spend at least two weeks in the field every year.



What kind of Letters

Collect money NOW?

Don't say, "If they haven't got it, they can't pay." Every debtor has **some** money; can meet **some** bills. Will he pay **you**—or "the other fellow"?

You **can** speed up collections **NOW**. There is a way to get money due you. Learn this secret, and how to use it. Old plans no longer work. Old methods fail. Conditions demand a new technique; a very different handling of credits and collections. It's the **big** problem of a New Era.

Maxwell Droke has been studying this problem closely; gathering **tested** collection letters to **meet the needs of NOW**. You can have the benefit of his findings—a group of 25 amazingly effective collection letters—

SPECIAL OFFER: Send a dollar (cash, money-order or check) with your order for 25 Collection Letters, and we will include **FREE**, a copy of Mr. Droke's book, just off the press, **Collecting Money in These Times**. Remember, 25 Tested Collection Letters and the book—all for one dollar! But hurry! This is a Special Introductory Offer. Money back guarantee, of course.

—o—

Readers of the "Sales Letters" department in this publication, who are interested in a more comprehensive study of letter principles, will find Maxwell Droke's **Letter Laboratory** of great practical value. This is an eighteen-section portfolio of letter data, indexed for ready reference. It presents and analyzes scores of letters that brought inquiries and orders; letters that opened new accounts and revived old ones; letters that gained the cooperation of wholesalers and dealers; letters that inspired salesmen and agents; adjustment letters; good-will letters—the whole range of business correspondence. The price is \$7.50. We'll gladly send a copy to responsible executives on ten days' approval, or with a money-back guarantee, if remittance accompanies your order.

MAXWELL DROKE

P. O. Box 611-a

Indianapolis, Indiana

C o m m e n t

IDEA-HUNGRY SALESMEN: An orchid, say we, to the Sales Managers' Bureau of the St. Louis Chamber of Commerce for its capital idea of starting a series of meetings for salesmen (see page 480 for news report). This plan might well be adopted by sales managers' clubs in other communities. . . . The fact that the St. Louis meetings have been so well attended is striking evidence that salesmen have awakened to a vivid realization of the necessity for training, studying and improving their technique to meet the more stringent demands of a radically changed market picture. They are hungry for better knowledge of selling. . . . The St. Louis meetings give the participating salesmen the obvious advantage of "exposure" to sales ideas which have been successful in fields other than the one in which they may at the moment be operating. Sales executives and salesmen alike have barely scratched the possibilities for fresh marketing approaches and revitalized sales presentation which can be developed through the transplantation of tested ideas from one industry to another. . . . Only this week, here in the SALES MANAGEMENT office, we heard of a new sales plan just successfully tested by a furniture concern, the idea for which was adapted by an alert sales manager from the women's wear industry. . . . Let's have more activity of the nature of the St. Louis salesmen's round tables; they, like their sales managers, can profit immeasurably from the trading of ideas.

NEW YEAR'S EVE FOR BUSINESS: Whistles are sounding all about us. Steam is being generated for the boilers. Industry is confident even in the face of important international uncertainties. There's the "feel" of imminent better business. Every day we hear of the release of new advertising appropriations and the launching of new sales campaigns. Such news has been crowded out of the public press, or submerged as a matter of lesser import among the news of history-making world events, yet these events are transpiring and they are of the utmost significance to those who direct the marketing destinies of companies, great and small. . . . While it is true that many concerns cannot now afford to take on much additional burden in the way of immediately increased overhead, certainly every company can and should bend its energies and dedicate whatever resources are available to the business of gearing its present organization and facilities to a higher degree of efficiency. This is only another way of saying that we need a thorough check-up to discover just how many things we are doing less effectively than we actually *know how* to do them. It is probably safe to say that there isn't a sales organization in the country that

is utilizing the full knowledge of marketing and salesmanship which it has within it. . . . With this thought in mind SALES MANAGEMENT will offer a new feature, beginning with the issue of May 15, which will, each month, throw out some reminder suggestions about sales planning for the ensuing month. . . . It is our definite belief that better business can and will be enjoyed between now and the end of the year, by those companies which work aggressively and creatively in the cultivation of markets instead of passively waiting until generally better economic conditions are "reflected" in their own sales figures.

DISCOURAGING BUYERS: Perhaps it is a "sign of the times,"—the *new* times, that sellers in many lines are not anxious to take any more business at current prices. This week's papers carried news items to the effect that lead companies did not want any more business at current prices, that the steel companies were discouraging buyers who wanted to place contracts for deliveries in the third quarter, and that tire companies were raising prices 5 to 10 per cent. The morning mail brought an announcement from the International Silver Company of a 20 per cent increase in hollow ware. After four years of "profitless selling" these items are encouraging.

REFLATION AND YOU: Prices of basic commodities have more than "started" up. They are even now above the prices at the same period last year, and there is every indication that they will go somewhat higher. It won't be long before this means higher prices for the goods you manufacture. *Money* is going to be worth less, *things* will be worth more. That being the most likely result from the reflationary movement, this is the time to get rid of money and put it into things and services. Specifically, this is *the* time to expand marketing efforts—to put on more salesmen, to increase advertising schedules. Neither advertising nor personal selling will bring their full returns immediately. As the saying goes, the field must be tilled before it can be harvested. Suppose that your article is selling now for 65 cents. You begin a more intensive advertising campaign, and keep it up. You will *harvest* today's advertising expenditures two-three-four months from now, and at that time the unit selling price may have jumped to 80 cents. So long as you can buy your advertising and sales promotion dollars at today's depressed levels it is almost a certainty that you can cash them in at a higher level.

Ray Bill

Stronger Plan for Weaker Markets

(Continued from page 478)

ance and in many cases incorporated notable improvements, such as the balloon seat, elastic waist-band inserts instead of ties, and attractive color combinations in the shorts. We brought out a wash dress that was so stylish and attractive that it could be worn for many occasions. We sold nearly 15,000 dozen of that number in the first ten weeks!

"We have consistently kept one eye on the business and the other on the demand. We don't try to force anything on the market; we try, instead, to anticipate the demand, then be ready to meet it.

"By increasing our volume we have been enabled to cut production costs immensely and such savings have promptly been passed on to the public in the form of reduced prices, which, in turn, brought us larger volume. We have frequently taken on additional employees when we really didn't need them, but we have always been able to increase our sales enough to take care of the additional production. On one occasion, when there was an unemployment drive, we added one hundred operators just to help the cause. Well, we've kept all of them and just recently we added eighty others.

"We must get a large volume, hence we cater chiefly to the larger department stores, chain store systems and buying syndicates. We sell a good volume of wash dresses and aprons to one well-known concern that has its own factory.

"Many retailers buy quantities of our goods to be featured as leaders in special events. One syndicate sold 20,000 dozen dresses in a single day and it is not unusual for us to receive an order for 10,000 or 15,000 dozen percale aprons. One concern alone has placed an order for 50,000 dozen of our shorts to be sold over a four-months' period this year. A drug store chain is preparing to feature 2,000 ironing board pad and cover sets in a one-day sale.

"We are licensed to use the 'Pepperell' fabrics and label and we tie up with that well-advertised name. We sold over 73,000 'Pepperell' aprons in the first six weeks, for instance; then we sold even more by getting out a broadside featuring the prominent firms that had bought them.

"We are always alert to help our retailers get more business, both by cooperating with them in planning special events and by doing a little research work ourselves. On one occasion we called a large number of

housewives on the 'phone and asked them in what department they would look for a percale apron if they were going to buy one. A large percentage said in the notions department, so we suggested to our retailers that they display percale aprons in their notions department, which many did with splendid results.

"Since 1929 we have increased the number of salesmen in the United States from 7 to 25. About half of these carry only dresses and aprons. One specializes on jobbers, calling on about 75 of them, through whom we sell the smaller retailers. We also have seven salesmen covering Canada. We have offices and displays in New York, St. Louis, Chicago and St. Paul, as well as in Detroit and Windsor."

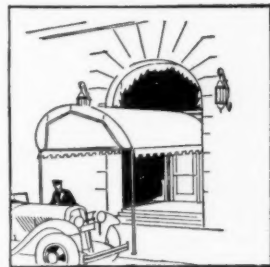
While Lederer has more than tripled its sales force since 1929, it has not increased its advertising correspondingly, Mr. McWood said. Most of this is direct-mail, supported by some space in notion, dry goods and chain-store trade journals. The direct-mail comprises letters, postcards, broadsides, folders and the like.

"The chief consideration in our advertising is timeliness," S. M. Sutter, who prepares the copy, said. "We frequently get better returns from a postcard, printed in black and white, with just a simple sketch of the merchandise, than from an ornate piece in color. Our dealers are interested more in merchandise that will sell than they are in beautiful advertising literature. We conclude, therefore, that any advertising that brings good results is good advertising, while any that does not bring good results is poor advertising. Some of our advertising that looks terrible to an advertising man is mighty good advertising."

The mailing list comprises about 4,500 names of the larger and better retail concerns and is kept constantly up to date—volume, community leadership and credit standing being the major considerations, Mr. Sutter said.

Automatic Washer's Carloads

Fifty-two carloads of household washing machines have been ordered within the past few months by the Chicago distributor of the Automatic Washer Company of Newton, Iowa. Half of the first twenty-six-car special trainload were in dealers' hands within two weeks of receipt in Chicago, and a repeat order was received by the company within seven weeks of shipping the first. W. Neal Gallagher, president of Automatic, announces that "the factory is running full time. Orders for the first three months of 1933 equaled the total up to July 15 of 1932."



In the neighborhood of the uptown business district, the smart shops, the theatres, and close to the Grand Central Station and rapid transit systems, the Hotel Barclay with its Colonial appointments makes a delightful home for business executives and their families on visits to New York. Rates are commensurate with the times. Single rooms \$5 up; Double rooms \$8 up; Suites, \$12 up.

The
BARCLAY

One Hundred Eleven East Forty-Eighth Street
Warren T. Montgomery — Managing Director

NEW YORK

She Knows Why Millions of Customers Stop Buying

(Continued from page 476)

thing but a beggar, waiting for scraps of orders?

It took a little longer for Miss Wing to put this new idea across, for the traditional attitude of browbeating salesmen was hard to change. The president of the company, however, was a far-sighted man. He had had to be to give her a job in the first place, and finally she convinced him that the men who waited to sell him raw material were among his company's best prospects for the finished product.

"If a man knows that he has sold a manufacturer some of the constituent parts of a product, you can bet he will ask for that manufacturer's brand when he is in the market for such a product. And even where he hasn't succeeded in selling that manufacturer, if his turn-down has been courteous, if the purchasing agent hasn't ridden rough-shod over his feelings, he'll have a wholesome respect for that manufacturer, and the odds are he'll buy his product anyhow.

"Under the other system, frankly, a man would have to be an idiot to spend his hard-earned money for an article put out by a house that not only gave him no business, but gave him a verbal sock in the jaw when they gave him the gate."

It was inevitable that news of her work would find its way about. Finally the day came when she found she could do no more for the company that first permitted her to try out her idea, so Miss Wing resigned, returned to New York, and, two years ago, opened her own office.

The United States Shipping Board was her first client. Then followed a bank. Another bank followed suit; soon a succession of brokerage houses, department stores and industrial concerns were calling her in to straighten out their legions of telephone troubles and other problems arising in dealings between their employees and the public. Today two of her largest and best known clients are the General Foods Company, makers of such well-known products as Postum, Grape-Nuts, and Jell-O; and R. G. Dun and Company, the mercantile credit reporters, in whose New York office alone are 975 employees.

One day one of her clients laughingly said, "You know, Miss Wing, you're almost like a doctor, giving injections against rudeness and impertinence. You ought to be called a 'Doctor of Courtesy,' dispensing 'politeness

treatments.' Through the grapevine telegraph of business this title got around, and now she is always introduced as the Doctor of Courtesy.

"Salesmen on commission know the value of being polite to their trade because their earnings depend directly upon the business they do," explained "Doc" Wing. "The office employee, on the other hand, far removed from the selling field and direct contact with the source of the company's prosperity, is the chief offender. In this connection the office manager and the private secretary to a company official are tied for first place as tough customers.

"The former feels that he must be gruff and hard-boiled every minute of the day or his staff will lie down on their jobs. The secretary, poor dear, has all the uninteresting drudgery of her boss' job and none at all of the commendation and praise for a job well done. Being able to open her boss' mail, even when it is marked 'personal,' is probably all the thrill in life that is left to her. While it is true she has to act as a buffer between her boss and all the people who want to see him, I try to develop a selective faculty in her, aiding her to judge the worth of the people who come into her office so that she may know whether their requests are legitimate or not. Even when she has to turn people away, she should do so graciously, without making them feel they should be grateful they weren't shot on the spot.

"Incidentally, it isn't always a solicitor, trying to sell something, who calls on the purchasing agent. Recently a client of mine told me he had called, with another associate, to see the purchasing agent of a certain company. My client was a very good customer of this company, but was dissatisfied with the manner in which material was shipped. Shortly before this, there had arrived at his office a shipment of merchandise from abroad, and the container in which it was packed seemed to him a logical solution to his problem. He wanted to discuss it with this purchasing agent. This is what happened.

"'Sorry, Mr. Blyer is in conference. I'm his secretary and you'll have to tell me what you want to see him about,' was the way a secretary greeted the two men.

"'Tell Mr. Blyer we want to talk to him about shipping containers.'

"'Sorry, but you can't see him.'

"And that, I was told, was that. All

the argument that they had an appointment, that they were customers of the company, had no effect on the girl. Customers, she said, saw the sales manager, not the purchasing agent. Did they think they were going to put something over on her? Evidently they couldn't. They did not see the purchasing agent that day and afterwards they were no longer interested. The next day the purchasing agent got a long and somewhat heated letter from them. The letter to the sales department was decidedly short and rather cold . . . it was a cancellation.

"In these days of very much lessened industrial activity but widespread competition, you can't afford to antagonize a customer. And since the telephone is becoming more and more an important factor in selling, unless the person at the other end of the wire, the 'Unseen Customer,' is given every courtesy and consideration, he soon becomes the 'Vanished Customer.' When enough customers of a company do a disappearing act, you next hear of that company in the bankruptcy court.

"I don't say a company will do more business after they've installed my system. However, I do guarantee they won't lose any because of an employee's inattention or discourtesy."

"Weeding" by Phone, Iron Fireman Tackles Only Real Prospects

Two years ago the Iron Fireman Manufacturing Company started a campaign among the 1,600 bakers in Chicago. The result, explained H. H. Kurtz, branch manager, in an interview, has been the sale of 96 automatic coal burners to this market.

The method involved the "weeding out of the small ones who could not possibly gain by installing our equipment," Mr. Kurtz continued, "and the ones whose present equipment we could not stoker. We telephoned each one of them and got a line on the equipment he was using. In this way, without waste of salesmen's time, we developed a list of 100 first-class prospects.

"Then we started to work on the 100. At the end of 18 months we had installed from one to ten burners each for 25 of this group.

"The outstanding advantage was the saving of salesmen's time and consequent cost. Inexpensive telephone men can make several times as many calls a day as even the most efficient salesman can do in personal calls.

"The data obtained will be useful for other campaigns."

Ethical Promotion for Drug Products

(Continued from page 473)

Bits of the story, through advertising, personal work by the Abbott sales force and free sampling to physicians, began to leak out to the public.

The company began to get letters from the public inquiring about this new medicine that offered so much more than the old stand-by, cod liver oil. To these letters the reply invariably was: "Consult your physician."

No patent medicine atmosphere there; no breaking down of ethics; no "blanket diagnosis."

Does the Abbott management consider the "campaign" method of selling high quality drugs, medicines and preparations to physicians and druggists a step along the right road?

Proof—Announcement has just been made of a new campaign. This is called: "Abbott's Make-Your-Goal Campaign—1933."

It has stepped up its 1,000,000 messages to physicians to 6,000,000. District and branch managers and salesmen are given a quota to meet. Bonuses and prizes start as soon as 70 per cent of the quota has been met.

Haliver oil is still featured.

Drug stores reached by the campaign have been raised to 62,000. Druggists are supplied with literature, mailing pieces, blotters, etc., with their imprints on them, which they may send to physicians. These announce that they are supplied with certain of the Abbott line of featured products.

The new campaign finds informative literature going to 9,000 hospitals. A new catalog, 164 pages, listing all Abbott specialties, mailed to all physicians and hospitals. The run is 164,000.

Single and double-page advertisements, many in color, will be run in every important medical journal and drug publication.

The campaign is backed up by elaborate printing, in taste, liberal art employed; plenty of colors, gold, red, blue, yellow and striking use of reverse plates—white on black. Doctors get a sprinkling of "no postage stamp" post cards which, returned, bring selected samples free.

The campaign is apparently built on a basis of showmanship and sales force delicately applied to that most sensitively ethical of all professions—medicine. The public will never see it. It would not understand it if it did.

The entire campaign is meant for the eye that writes the prescription and the eye that reads it—and fills it. And for the salesmen who contact them.

1¼ Billion Dollars of Retail Sales in Chicago in 1932

Are You Getting Your Share?

Years of experience in working with nationally known manufacturers enable us to serve you intelligently and efficiently in this great central market. We are equipped to offer you unusual service in connection with

1. Sampling Campaigns DIRECT to the User
2. The Distribution of Advertising Literature DIRECT to Homes
3. Effective Aid in Securing and Maintaining Dealer Cooperation and Consumer Acceptance
4. Help in Planning and Timing Your Advertising and Selling Campaigns
5. A new and Guaranteed Beer Distribution Plan

Ask for our Chicago Survey "The Market, Chicago."

BIG 4
ADVERTISING CARRIERS
20 East 8th Street, Chicago
Phone: Harrison 6085
R. L. GOODMAN, Gen'l Mgr.

Shotland & Shotland

Men's Tailors

15 W. 45th St.  New York, N. Y.



Confidence

—is assured by wearing our hand tailored, individually made business suits.

Imported fabrics used exclusively.

Suits formerly \$125 and more, now

\$75

\$3 A DAY



Just imagine! Now you can

enjoy the luxury and comfort of the smart new Hotel Lexington for as little as \$3 a day ...\$4 a day for two persons. And Lexington restaurant prices are equally thrifty...breakfast in the Main Dining Room is only 35c, luncheon 65c, dinner with dancing, \$1.00.

HOTEL LEXINGTON

48TH STREET AT LEXINGTON AVENUE • NEW YORK
Directed by Ralph Hitz • Chas. E. Rochester, Manager

Book—Cadillac, Detroit, and Van Cleve, Dayton, also under Ralph Hitz Direction

Doughnuts Make Money

(Continued from page 489)

The Maxwell House men, for example, discovered that coffee-making with us has become almost a ritual. The process is timed to the second. The steam passes over the coffee exactly 13 minutes. Coffee not consumed within two hours is thrown out.

"The Ward men found that we made doughnuts more appetizing by making a ceremony of cleanliness. When a doughnut happens to fall on the floor, it is pounced on and thrown into a white pail. We also told them about ingredients.

"But we helped them also to merchandise their relationship with us. I wrote letters for both sales organizations on the new shop. The keynote of these letters was "Confidence Backed by Action." I suggested to each group that they talk to their store customers about the other's product, in their mutual interest. Then we prepared "honor rolls" of dealers of both products, which are hung on the wall of the shop. (We plan similar local rolls in the others.) The names of 40 Maxwell House and 40 Ward dealers are shown weekly, until the entire list is covered. This appeals to the storekeeper's vanity.

"Before opening the shop, I wanted to know the attitude of our competitors in the neighborhood who were selling coffee and bakery products. I believe there is a lot of truth in the saying that 'the fellow you don't know is the fellow you don't like.' I wanted to make our competitors our friends. The shop manager went with me, but I agreed to do the talking. The first words, as I had expected, were usually harsh. But after I had explained that, since we are primarily specialists and institutional promoters of two products, we are not competitive, they became more friendly. I invited them to the shop. There are four restaurants on that block. After the opening all but one came in to buy Mayflower doughnuts and to learn where they could get Maxwell House coffee. These three came in to eat there. We instructed our 30 employees to eat at their stores. And a number of 'competitors' sent flowers for our opening. The Chinese tea garden gave us a \$35 bouquet!

"The fourth food shop on the block is a bakery chain. On our opening day they featured doughnuts at 2 cents below our regular price. We did not worry about them. The following Saturday their doughnuts were being sold at our level.

"Our next shops," Mr. Friedel concluded, "will be in other large indus-

trial cities. We shall have one at a Century of Progress exposition in Chicago. I think we have learned enough about the coffee-and-doughnut business to make any market, with enough people, a worth-while market for us. But we are not going to grow too rapidly. We want to build good will as we go along."

A word about this Mayflower man: J. H. Friedel knows more than coffee-and-doughnuts. For a number of years he was executive assistant to Magnus W. Alexander, president of the National Industrial Conference Board. Dr. Virgil Jordan, now president of the board and perhaps the nation's best known economic analyst, worked under him there.

Mr. Friedel has also served as merchandising adviser to some of the country's largest corporations. He is on the executive committee of the American Society of Bakery Engineers and the Allied Trades of the Baking Industry, and is chairman of the International Bakery Exposition, to be held in the United States next year. He regards himself as a rather active co-producer of the show that is intended to "glorify the American doughnut."

Enlists 361 Newspapers in White Owl Campaign

Space in 361 newspapers is being employed by General Cigar Company, New York, to "prove" that White Owl "costs the manufacturer more to make than the regular run of five-cent cigars." The theme of the campaign is "Be Tobacco Wise."

FINANCIAL, MANUFACTURING OR
SALES FACILITIES ARRANGED IN
THIS TERRITORY FOR PRODUCTS
IN CURRENT USE OR DEMAND

Submit Details to

THE INDUSTRIAL CORPORATION
Lexington Building - Baltimore



*A Delightful Hotel
Experience Awaits
You in Boston . . . at*

The
Hotel Kenmore

Commonwealth Avenue at
Kenmore Square. Subway
entrance at Door.

We pride ourselves upon the service and conveniences offered our guests. You will delight in the quiet luxury. 400 outside rooms with shower and tub . . . circulating ice water. . . Cozy Coffee Room or Empire Dining Room. . . Free Parking for your car. . . Centrally located—handy to all parts of Boston.

Let us send you a booklet
"HISTORICAL BOSTON"

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display.
Cash Basis Only. Remittance Must Accompany Order

EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-three years. Send only name and address for details. R. W. Bixby, Inc., 118 Delward Building, Buffalo, N. Y.

POSITION WANTED

Open for Part Time Work!

ADVERTISING MANAGER WITH LONG experience and tested ideas. Exceptional record in securing business by direct mail. Good connections for art work and printing. Service reasonable. Will call with samples in or near New

York. Write today, setting time. Address Box 372, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

HELP WANTED

SALESMEN WANTED: FOR HOUSE-TO-house canvass on cosmetic novelty in suburbs of New Jersey, Long Island and Westchester. Will pay 50 per cent commission on \$2 item. Want men or women who would later develop into crew managers. Address Box 370, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

LINES WANTED

HOSIERY MANUFACTURER WANTS TO get in touch with firms who have line suitable for sale by house-to-house force. Items should not compete with present line of ladies and men's hosiery. Present sales force calls regularly on same buyers. Address Box 371, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

TORONTO
MONTREAL
WINNIPEG
LONDON, E.C.

GIBBONS KNOWS CANADA

REGINA
CALGARY
EDMONTON
VANCOUVER
VICTORIA